THE INDIAN HOTELS COMPANY LIMITED

The Indian Hotels Company Limited was incorporated on April 1, 1902 in the Republic of India as a public limited company under the Indian Companies Act of 1882.

Registered Office and Corporate Office: Mandlik House, Mandlik Road, Mumbai 400 001
Contact Person: Beejal Desai, Vice-President - Legal and Company Secretary and Compliance Officer
Tel: (91 22) 6665 3238; **Fax**: (91 22) 2202 7442; **E-mail**: investorrelations@tajhotels.com; **Website**: www.tajhotels.com;
Corporate Identification Number: L74999MH1902PLC000183

PROMOTER OF THE COMPANY: TATA SONS LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE INDIAN HOTELS COMPANY LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF [●] [●]% COMPULSORILY CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ [●] EACH OF THE COMPANY (THE "CCDs") FOR CASH AT A PRICE OF ₹ [●] PER CCD CONVERTIBLE INTO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH OF THE COMPANY (THE "EQUITY SHARES") FOR AN AMOUNT NOT EXCEEDING ₹ 1,000.00 CRORES ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY IN THE RATIO OF [●] CCD(S) FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). FOR FURTHER DETAILS, SEE SECTION "TERMS OF THE ISSUE" ON PAGE 223.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. **Investors are advised to refer to section "Risk Factors" on page 14 before making an investment in this Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The Issue of CCDs has been rated by [●] as [●] indicating [●]. For details, see section "General Information" on page 38.

LISTING

The existing Equity Shares of the Company are listed on the BSE Limited ("**BSE**") and The National Stock Exchange of India Limited ("**NSE**") (collectively, the "**Stock Exchanges**"). The Company has received "in-principle" approvals from the BSE and the NSE for listing the CCDs to be allotted pursuant to the Issue vide their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange is the [●].

LEAD MANAGERS TO THE ISSUE				REGISTRAR TO THE ISSUE
JM Financial Institutional Securities Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Tel: (91 22) 6630 3030 Fax: (91 22) 6630 3330 E-mail: ihcl.rights.2013@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Lakshmi Lakshmanan SEBI Registration Number: INM000010361 Corporate Identification Number: U65192MH1995PLC092522	**DSP Merrill Lynch Limited** 8th Floor, Mafatlal Center Nariman Point Mumbai 400 021 Tel: (91 22) 6632 8000 Fax: (91 22) 2204 8518 E-mail: DG.IHCL_Rights@baml.com Investor Grievance E-Mail: dg.india_merchantbanking@baml.com Website: www.dspml.com Contact Person: Vikram Khaitan SEBI Registration Number: INM000011625 Corporate Identification Number: U74140MH1975PLC018618	**SBI Capital Markets Limited** 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Tel: (91 22) 2217 8300 Fax: (91 22) 2218 8332 E-mail: ihcl.rights@sbicaps.com Investor Grievance E-Mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Nithin Kanuganti/ Kavita Tanwani SEBI Registration Number: INM000003531 Corporate Identification Number: U99999MH1986PLC040298	**Standard Chartered Securities (India) Limited** 2nd Floor, 23-25 M.G. Road, Fort Mumbai 400 001 Tel: (91 22) 4205 6119 Fax: (91 22) 4205 5999 E-mail: ihcl-rights@sc.com Investor Grievance E-Mail: investor@sc.com Website: www.standardcharteredsecurities.co.in Contact Person: Nikhil Tulsyan SEBI Registration Number: INM000011542 Corporate Identification Number: U65990MH1994PLC079263	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (West) Mumbai 400 078 Tel: (91) 22 2596 7878 Fax: (91) 22 2596 0329 E-mail: tihcl.rights@linkintime.co.in Investor Grievance E-Mail: tihcl.rights@linkintime.co.in Website: www.linkintime.co.in Contact Person: Pravin Kasare SEBI Registration Number: INR000004058* Corporate Identification Number: U67190MH1999PTC118368

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
[●]	[●]	[●]

**Link Intime India Private Limited has obtained a certificate of registration from SEBI which is valid from May 6, 2009 to May 5, 2014. It has made an application dated January 30, 2014 to SEBI for grant of renewal of the registration, in accordance with the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993, as amended. The renewal of the registration from SEBI is currently awaited.*

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

This Draft Letter of Offer uses certain definitions and abbreviations, which unless the context indicates or implies otherwise, have the meanings as provided below. Reference to any legislation, act or regulation shall be to such legislation, act or regulation, as amended from time to time.

Company Related Terms

Term	Description
The Company/ the Issuer	The Indian Hotels Company Limited, a public limited company incorporated under the provisions of the Indian Companies Act, 1882 and having its registered office at Mandlik House, Mandlik Road, Mumbai 400 001
"We", "Our", "Us" or Taj Group	The Indian Hotels Company Limited along with its subsidiaries, jointly controlled entities and associate companies. For details of the subsidiaries, jointly controlled entities and associate companies of the Company, see section "Financial Statements" on page 88
Articles of Association or Articles	Articles of Association of the Company, as amended
Board of Directors or Board	Board of directors of the Company
Compulsorily Convertible Debentures or CCDs	Compulsorily convertible debentures of face value of ₹ [●] each of the Company
Company GDRs	GDRs outstanding as of the date of this Draft Letter of Offer in relation to 5,195,783 GDRs issued by the Company in 1995
Director(s)	Any or all the directors on the Board, as may be appointed from time to time
Equity Shares	Equity shares of face value of ₹ 1 each of the Company
Group Companies	Companies, firms, ventures, etc. promoted by the Promoter of the Company, irrespective of whether such entities which are covered under Section 370(1)(B) of the Companies Act, 1956 or not
LIBOR	London Inter Bank Offered Rate
Memorandum of Association or Memorandum	Memorandum of Association of the Company, as amended
Promoter	Tata Sons Limited
Promoter Group	Promoter group of the Company as determined in terms of Regulation 2(1)(zb) of the SEBI Regulations
Registered Office	Mandlik House, Mandlik Road, Mumbai 400 001
Statutory Auditors / Joint Statutory Auditors	Joint statutory auditors of the Company namely M/s. Deloitte Haskins & Sells LLP, Chartered Accountants*# and M/s. PKF Sridhar & Santhanam, Chartered Accountants. **Deloitte Haskins & Sells, Chartered Accountants, Mumbai (ICAI Firm Registration No. 117366W),*

Term	Description
	*has been converted into a Limited Liability Partnership with the name Deloitte Haskins & Sells LLP (DHS LLP) (ICAI Firm Registration No. 117366W /W–100018) under Section 58 of the Limited Liability Partnership Act, 2008 (the "**LLP Act**") with effect from November 20, 2013* *[#]The Consolidated Financial Statements of the Company is audited solely by M/s. Deloitte Haskins & Sells LLP, Chartered Accountants*
Subsidiary(ies)	Subsidiaries of the Company being, Piem Hotels Limited, Taj SATS Air Catering Limited, Roots Corporation Limited, Inditravel Limited, Benares Hotels Limited, United Hotels Limited, Taj Trade & Transport Company Limited, TIFCO Holdings Limited, Northern India Hotels Limited, Taj Enterprises Limited, KTC Hotels Limited, Residency Foods & Beverages Limited, Ideal Ice and Cold Storage Company Limited, Taj Rhein Shoes Company Limited, TIFCO Security Services Limited, International Hotels Management Services Inc., St. James Court Hotels Limited, Taj International Hotels Limited, Taj International Hotels (H.K.) Limited, IHMS (Australia) Pty Limited, Piem International Hotels (H.K) Limited, IHOCO BV, Apex Hotel Management Services Pte. Limited, Cheiftain Corporation NV, Samsara Properties Limited, Premium Aircraft Leasing Corporation Limited and BAHC 5 Pte Limited

Issue Related Terms

Term	Description
Abridged Letter of Offer	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI Regulations and the Companies Act
Allotment	Allotment of CCDs pursuant to the Issue
Allotment Date	Date on which the Allotment is made
Allottee(s)	Person(s) who is Allotted CCDs pursuant to Allotment
Applicant(s)	Eligible Equity Shareholder(s) and/or Renouncees who make an application for the CCDs pursuant to the Issue in terms of the Letter of Offer, including an ASBA Applicant
Application Money	Aggregate amount payable in respect of the CCDs applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the application amount of a specified bank account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the CAF by the Applicant for blocking the amount mentioned in the CAF
ASBA Applicant / ASBA Investor	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and who: 1. are holding the Equity Shares of the Company in dematerialized form as on the Record Date and have applied for their Rights Entitlements and/or additional CCDs in dematerialized form; 2. have not renounced their Rights Entitlements in full or in part; 3. are not Renouncees; and 4. are applying through blocking of funds in a bank account maintained

Term	Description
	with the SCSBs.
Bankers to the Issue / Escrow Collection Banks	[●]
Composite Application Form / CAF	Form used by an Investor to make an application for the Allotment of CCDs in the Issue
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Conversion Date	The date on which the CCDs will be compulsorily and automatically converted into Equity Shares i.e. [●]
Conversion Period	The period commencing from the date of Allotment and concluding not later than [●] thereafter
Conversion Price	The price at which Equity Shares will be issued upon conversion of CCDs i.e [●] per Equity Share
DSPML	DSP Merrill Lynch Limited
Debenture Trustee	Centbank Financial Services Limited
Designated Branches	Such branches of the SCSBs which shall collect the CAF or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Stock Exchange	[●]
Draft Letter of Offer or DLOF	Draft letter of offer dated April 15, 2014 issued by the Company in accordance with the SEBI Regulations and filed with SEBI for its observations
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of the Company as on the Record Date
Equity Shareholder(s)	Holder(s) of the Equity Shares of the Company
Investor(s)	Eligible Equity Shareholder(s) of the Company on the Record Date, i.e. [●] and the Renouncee(s)
Issue/ the Issue/ this Issue	This issue of [●] [●]% CCDs for cash at a price of ₹ [●] per CCD convertible into [●] Equity Shares for an amount not exceeding ₹ 1,000.00 crores on a rights basis to the Eligible Equity Shareholders of the Company in the ratio of [●] CCDs for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date, i.e. [●]
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹ [●] per CCD
Issue Proceeds	Gross proceeds of the Issue
Issue Size	Amount not exceeding ₹ 1,000.00 crores

Term	Description
JM Financial	JM Financial Institutional Securities Limited
Lead Managers	JM Financial, DSPML, SBICAP and Standard Chartered
Letter of Offer	Final letter of offer to be filed with the Stock Exchanges after incorporating the observations received from SEBI on this Draft Letter of Offer
Listing Agreement	Listing agreements entered into between the Company and the Stock Exchanges
Monitoring Agency	[●]
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see section "Objects of the Issue" on page 49
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Institutional Investors	Investor, including any company or body corporate, other than a Retail Individual Investor and a Qualified Institutional Buyer
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Record Date	[●]
Registered Foreign Portfolio Investors/ Foreign Portfolio Investors/ Registered FPIs/ FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Registrar to the Issue / Registrar	Link Intime India Private Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from Eligible Equity Shareholders
Retail Individual Investor	Individual Investors who have applied for CCDs for a cumulative amount of not more than ₹ 2 lakhs (including HUFs applying through their Karta) through one or more applications
Rights Entitlement	The number of CCDs that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date
SAF(s)	Split Application Form(s) which is an application form used in case of renunciation in part by an Eligible Equity Shareholder in favour of one or more Renouncee(s)
SBICAP	SBI Capital Markets Limited
SCSB(s)	Self certified syndicate bank registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Share Certificate	Certificate in respect of the Equity Shares allotted to a folio
Standard Chartered	Standard Chartered Securities (India) Limited

Term	Description
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed *i.e.* BSE and NSE
Working Days	All days other than a Sunday or a public holiday on which commercial banks in Mumbai are open for business

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
₹ or Rs. or Rupees or INR	Indian Rupee
AGM	Annual general meeting
AS	Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CCI	Competition Commission of India
CIN	Corporate identification number
Civil Code	Indian Code of Civil Procedure, 1908, as amended
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections
Competition Act	Competition Act, 2002, as amended
Depositories Act	Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended
DIN	Director identification number
DP / Depository Participant	Depository participant as defined under the Depositories Act
DP ID	Depository participant identity
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, as amended

Term/Abbreviation	Description/ Full Form
FII	Foreign institutional investor as defined under the SEBI FPI Regulations
Financial Year / Fiscal Year / FY	Period of 12 months ending March 31 of that particular year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GDR	Global Depository Receipt
Government	Central Government and/ or the State Government, as applicable
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IND AS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles followed in India
IT Act	Income Tax Act, 1961, as amended
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
NCDs	Non-convertible debentures
Net Asset Value / NAV	Net worth per Equity Share at a particular date computed based on Net Worth
Net Worth	Aggregate of Equity Share capital and reserves and surplus (excluding revaluation reserves) at a particular date based on the financial of the entity whose Net Worth is being computed
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the Government of India
NR	Non-resident or person(s) resident outside India, as defined under the FEMA
NRE Account	Non-resident external account
NRI	Non-resident Indian, as defined in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCBs	Overseas Corporate Bodies
p.a.	Per annum

Term/Abbreviation	Description/ Full Form
PAN	Permanent account number
PAT	Profit after tax
PBT	Profit before tax
Portfolio Investment Scheme	The portfolio investment scheme of RBI specified in Schedule 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
QFI	Qualified foreign investor as defined under the SEBI FPI Regulations
RBI	Reserve Bank of India
RoC	Registrar of Companies, Maharashtra, located at Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
State Government	Government of a State of India
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
U.S. / USA / United States	United States of America, including the territories or possessions thereof

Industry Related Terms

Term/Abbreviation	Description/ Full Form
ARR	Average room rate
CRM	Customer relationship management
CSR	Corporate social responsibility
DoT	Department of Tourism
F&B	Food and beverage
HRACC	Hotel Restaurant Approval and Classification Committee
ITDC	Indian Tourism Development Corporation
MICE	Meetings, Incentives, Conventions and Events
Occupancy Percentage	Total number of sold rooms for the period divided by the total number of rooms available for the period

Term/Abbreviation	Description/ Full Form
RevPAR	Revenue per available room
T&T	Travel and Tourism
WTTC	World Travel and Tourism Council

NOTICE TO OVERSEAS INVESTORS

The distribution of this Draft Letter of Offer and the issue of the CCDs on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer may come, are required to inform themselves about and observe such restrictions. The Company is making this Issue on a rights basis to the Eligible Equity Shareholders of the Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders. However, the distribution of the Letter of Offer/Abridged Letter of Offer and the issue of CCDs on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI for its observations. Accordingly, the CCDs may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to CCDs. Accordingly, persons receiving a copy of this Draft Letter of Offer should not, in connection with the issue of the CCDs or the Rights Entitlements, distribute or send this Draft Letter of Offer in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the CCDs or the Rights Entitlements referred to in this Draft Letter of Offer.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in the Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

GLOBAL DEPOSITORY RECEIPTS

The GDRs with respect to the Equity Shares of the Company issued by Citibank N.A. as depositary (the “**Depository**”) are currently listed on the London Stock Exchange pursuant to the International Deposit Agreement dated May 3, 1995 (the “**International Deposit Agreement**”).

The Company has agreed in the International Deposit Agreement that in the event the Company offers or causes to be offered to the holders of any Company GDR, any rights to subscribe for additional shares or any rights of any other nature, the Depositary, after consultation with the Company, shall have the discretion as to the procedure to be followed in making such rights available to the Company GDR holders or in disposing of such rights on behalf of such Company GDR holders and making the net proceeds available in cash to such Company GDR holders or, if by the terms of such rights offering or by reason of applicable law, the Depository may neither make such rights available to such Company GDR holders nor dispose of such rights and make the net proceeds available to such Company GDR holders, then the Depository shall allow their rights to lapse.

The distribution of this Draft Letter of Offer and the issue of CCDs on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND CCDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**US SECURITIES ACT**”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (THE “**UNITED STATES**” OR “**U.S.**”), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND CCDS REFERRED TO IN THIS DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY CCDS OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR

INTO THE UNITED STATES AT ANY TIME.

Neither the Company, nor any person acting on behalf of the Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who the Company, or any person acting on behalf of the Company, has reason to believe is, in the United States of America. Envelopes containing a CAF should not be postmarked in the United States of America or otherwise dispatched from the United States of America, and all persons subscribing for CCDs and wishing to hold such CCDs in registered form must provide an address for registration of the CCDs. The Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders. However, the distribution of the Letter of Offer/Abridged Letter of Offer and issue of CCDs on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Any person who acquires Rights Entitlements or CCDs will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the CCDs or the Rights Entitlements, it will not be, in the United States of America.

The Company, in consultation with the Lead Managers, reserves the right to treat as invalid any CAF which: (i) appears to the Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the CAF headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where the Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and the Company shall not be bound to issue or allot any CCDs in respect of any such CAF.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Financial Data

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the Company's audited standalone and consolidated financial statements as at and for the year ended March 31, 2013, audited standalone condensed financial statements as at and for the nine months period ended December 31, 2013 and the unaudited condensed consolidated financial statements as at and for the nine months period ended December 31, 2013. The Company's Financial Year commences on April 1 and ends on March 31 of the following calendar year. For details of the financial statements, see section "Financial Statements" on page 88.

The Company prepares its financial statements in accordance with the generally accepted accounting principles in India, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and other applicable statutory and/or regulatory requirements, which differ in certain respects from generally accepted accounting principles in other countries. Indian GAAP differs in certain significant respects from IFRS**.** The Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Rupees in crores and lakhs.

Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Draft Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither the Company nor the Lead Managers make any representation as to the accuracy of that information. Accordingly, Investors should not place undue reliance on this information.

Currency of Presentation

All references to 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India and any reference to

'US$', 'USD', '$' and 'U.S. dollars' are to the legal currency of the United States of America.

Please note:
One million is equal to 1,000,000/ 10 lakhs;
One crore is equal to 10 million/ 100 lakhs; and
One lakh is equal to 100,000.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding the Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by the Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the Company's expectations include, among others:

- Global and domestic economic and business environment;
- Seasonality of our business;
- Our ability to compete in both domestic and overseas markets;
- Our requirements of higher capital expenditure and funding on commercially viable terms;
- Effective management of our operational systems, procedures and internal controls;
- Changes in the hotel and travel industry both in domestic and overseas markets;
- Increase in operating costs due to escalation of labour costs, utility costs, increased taxes and insurance costs;
- Our ability to attract and retain key managerial personnel and qualified employees;
- Fluctuations in foreign exchange rates; and
- Adverse social, economic or political events in India.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in sections "Risk Factors" and "Our Business" on page 14 and page 69 respectively. The forward-looking statements contained in this Draft Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of the Company. Whilst the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and the Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of the Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II: RISK FACTORS

The risks described below together with other information contained in this Draft Letter of Offer should be carefully considered before making an investment decision. The risks described below are not the only ones which are relevant to the Company, the Taj Group or investments in securities of Indian issuers. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and the section "Forward Looking Statements" on page 13.

Risks specific to our Business

1. Contraction of the global economy or low levels of economic growth in the domestic and overseas markets where we operate could adversely affect our revenues and profitability as well as limit or slow our future growth.

We operate in the hotel sector which is sensitive to the changes in the economic conditions. Consumer demand for our services is closely linked to the performance of the general economy and is sensitive to business and personal discretionary spending levels. Decreased global or regional demand for hotel services can be especially pronounced during periods of economic contraction or low levels of economic growth, and the recovery period in our industry may lag overall economic improvement. Decline in demand for our products and services due to general economic conditions could negatively impact our business by decreasing the revenues and profitability of our owned and managed properties, limiting the amount of fee revenues we are able to generate from our managed properties, and reducing overall growth of our services. In addition, many of the expenses associated with our business are relatively fixed and there can be no assurance that we will be able to meaningfully decrease these costs during a period of overall economic weakness. Further, on account of recent and prolonged slowdown in the economy, certain of our overseas investments may not have performed as per our expectations.

There can be no assurance that such macroeconomic and other factors which are beyond our control would not significantly affect demand for products and services in the future, including demand for rooms at properties that we manage, own, lease or develop, and such factors would not adversely affect our revenues and profitability as well as limit or slow our future growth.

2. Some of our hotels are maintained under license/lease arrangements with third parties including governmental bodies. License/lease arrangements are subject to various risks including non-renewal of the license/lease period or amendment to terms and conditions of the license/lease by our licensors/lessors which may adversely affect our business.

Some of our hotels including certain of our key hotels are maintained under license/lease arrangements entered with third parties. Whilst we typically have long term license/lease arrangements, there can be no assurance that our license/leasehold arrangements will be renewed upon expiry of the license/lease period. Further, there can be no assurance that these license/lease arrangements will be renewed on the same terms and conditions or the revised conditions would not be unfavourable to us. We are currently in a dispute with certain licensors/lessors, which are governmental bodies, for non-renewal of a long term license/lease and payment of arrears with respect to rent. For details in relation to these disputes, see section "Outstanding Litigation and Defaults" on page 203. Non-renewal of license/lease or unfavourable amendment to terms and conditions of license/lease may adversely affect our business.

3. As a part of our long term strategy, we propose to achieve future expansion largely though operating and management contracts which may expose us to a variety of risks such as unilateral termination and non-renewal.

We intend to achieve future expansion largely though operating and management contracts. Our success in achieving desired results from the management contracts depends on our ability to establish and maintain long term and positive relationships with third party property owners and on our ability to renew existing agreements and entering into new management agreements. While the management contracts we enter into with the third party owners are typically long term arrangements, it may allow the hotel owner to terminate the agreement under certain circumstances, including termination in cases of failure to meet certain financial or performance criteria. Our ability to meet these financial and performance criteria is subject to, among other things, risks common to the overall hotel industry, which may be outside our control. Further, at any given time, we may be in disputes with one or more of our hotel owners in relation to interpretation and compliance with the performance and financial standards. Any such dispute could be very expensive for us, even if the outcome is ultimately in our favour. We cannot predict the outcome of any arbitration or litigation, the effect of any negative judgment against us or the amount of any settlement that we may enter into with any third party. An adverse result in any of these proceedings could adversely affect our results of operations.

The property owners also create charge or collateral on the hotel property under management for the purposes of purchasing or refinancing the purchase of the hotel property. If these property owners are unable to repay or refinance maturing indebtedness on favourable terms or at all, their lenders could declare a default, accelerate the related debt and repossess the property. Any such re-possessions could result in the termination of our management agreements or eliminate revenues and cash flows from such property, which could negatively affect our business and results of operations.

Furthermore, the property owners of managed hotels could depend on financing to buy, develop and improve hotels and in some cases, fund operations during down cycles. Our hotel owners' inability to obtain adequate funding could materially adversely impact the maintenance and improvement plans with respect to existing hotels, as well as result in the delay or stoppage of the development of existing pipeline.

If any of these risks materialise, it could adversely affect our business, financial condition and results of operations.

4. ***Any deterioration in the quality or reputation of our brands could have an adverse impact on our reputation, business, financial condition and results of operations.***

Our brands and our reputation are among our most important assets. Our ability to attract and retain guests depends, in part, on the public recognition of our brands and their associated reputation. In addition, the success of our hotel owners' businesses and their ability to make payments to us may indirectly depend on the strength and reputation of our brands. Such dependence makes our business susceptible to risks regarding brand obsolescence and to reputational damage. If our brands are found to be lacking in consistency and quality, we may be unable to attract guests to our hotels, and further we may be unable to attract or retain our hotel owners.

In addition, there are many factors which can negatively affect the reputation of any of our individual brands or our overall brand. Occurrence of accidents or injuries, natural disasters, crime, individual guest notoriety, or similar events can have a substantial negative impact on our reputation, create adverse publicity and cause a loss of consumer confidence in our business. Due to the broad expanse of our business and hotel locations, events occurring in one location could have a resulting negative impact on the reputation and operations of otherwise successful individual locations. In addition, the considerable expansion in the use of social media over recent years has compounded the potential scope of the negative publicity that could be generated by such incidents. We could also face legal claims, along with adverse publicity resulting from such litigation. If the perceived quality of our brands declines, or if our reputation is damaged, our business, financial condition and results of operations could be adversely affected.

5. ***Our business is subject to seasonal and cyclical volatility, which may contribute to fluctuations in our results of operations and financial condition.***

We operate in an industry which is seasonal in nature. The periods during which our hotel properties experience higher revenues vary from property to property, depending principally upon location and the customer base served. Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the complete Financial Year. The seasonal and cyclical volatility has been mitigated to some degree as business travel, which is less sensitive to seasonal variations than tourist travel, accounts for a larger share of travel to India and other destinations. The seasonality and cyclicality of our industry may contribute to fluctuations in our results of operations and financial condition.

6. Increased competition in the hotel sector may adversely affect our operations and there can be no assurance that the new or existing competitors will not significantly expand or improve facilities in the markets in which we operate.

Hotels owned, managed or operated by us, compete for guests with other hotels in a highly competitive industry. The success in hotel industry is largely dependent upon the ability of the hotel operators to compete in areas such as room rates, quality of accommodation, brand recognition, service level, convenience of location and the quality and scope of other amenities, including food and beverage facilities. Hotels compete with existing hotel facilities in their geographic markets, as well as future hotel facilities that may be developed in proximity to the existing hotels. The hotels owned, managed or operated by us are generally located in intensely competitive regions. Demographic, geographic or other changes in one or more of our markets could impact the convenience or desirability of the sites of certain hotels, which would adversely affect the operations of those hotels.

We also face competition in overseas markets from companies that may have more experience with operations in those countries or with international operations generally. Further, our competitors may have more sophisticated distribution and sales channels or through higher expenditures on offline and online advertising and marketing placements, may be able to attract new customers or our existing customers.

Additionally, the Indian subcontinent, South East Asia and Asia Pacific with high growth rates have become the focus area of major international chains. These entrants are expected to intensify the competitive environment. Furthermore, in the past few years, certain international hotel chains have established their presence in India, mainly through management and/or marketing arrangements.

With increased international presence and strategy of growing further internationally, we face competition from hotel facilities in such geographic markets, including major international hotel chains. The major international hotel chains have some competitive advantages over us due to their global spread of operations, greater brand recognition and greater marketing and distribution networks. There can be no assurance that new or existing competitors will not significantly lower rates or offer greater convenience, services or amenities or significantly expand or improve facilities in a market in which we operate.

7. Our operations may be adversely affected if we are unable to attract and retain qualified employees or if relations with employees deteriorate.

We operate hotel properties that strive to provide our guests with high levels of service and personal attention. We, therefore, must maintain a large, well trained service staff to be successful. This requires us to attract, train and retain employees qualified to provide the standard of service we have become known for. Due to our high standards of service and extensive training, many of our competitors may hire members of our staff. Additionally, we face challenges in recruiting suitably qualified staff for our operations. Shortage of skilled labour could adversely affect our ability to provide these services and could lead to reduced occupancy or potentially damage our reputation. If we are not able to hire and retain qualified personnel, our ability to expand our business will be impaired.

Further, our key managerial personnel have, over the years, built relations with customers and other persons who are connected with us and have assisted us in achieving the desired growth. Our performance is majorly dependent upon the services of our key managerial personnel. If our key managerial personnel are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Additionally, whilst we believe we presently share good relations with employees, our relationship with employees could deteriorate due to disputes related to, among other things, wage or benefit levels. Whilst we have not recently had any disputes with our employee unions and we believe that our labour relations are good, we cannot assure you that there will not be any employee disputes in the future. A shortage of skilled labour or stoppage caused by disagreements with employees, strikes or lock-outs could adversely affect our ability to provide these services and could lead to reduced occupancy or potentially damage our reputation. Further, we have entered into wage settlement agreements with our employees and if we are unable to renew these wage settlement agreements or negotiate favourable terms, we could experience a material adverse effect on our operations.

8. We have certain commitments in relation to a property in Mumbai on which the erstwhile Hotel Sea Rock stood.

The Company presently holds 19.90% of the equity share capital of Lands End Properties Private Limited ("**LEPPL**"). LEPPL, in turn, holds 67.04% interest (through its wholly-owned subsidiary, Sky Deck Properties & Developers Private Limited ("**SDPDPL**") in a property in Mumbai on which Hotel Sea Rock stood (the "**Sea Rock Property**"). LEPPL has issued zero coupon non-convertible debentures aggregating to ₹ 521.00 crores (the "**NCDs**") to certain lenders for which the total loan repayment obligation would be ₹ 693.45 crores in February 2016.

The shareholding of LEPPL in SDPDPL has been offered as security in relation to the NCDs to the lenders. Pursuant to an existing arrangement, the Company has the right to acquire 100% shareholding of LEPPL in SDPDPL in case of occurrence of certain events, in which case, the Company shall be obliged to redeem the NCDs held by the lenders at an agreed amount, as applicable, for each pre-payment date on or before February 2016.

In the event, the Company does not exercise its right of acquiring 100% shareholding of LEPPL in SDPDPL, either SDPDPL will be required to refinance its entire outstanding debt and if not, the lenders would be authorised to divest the entire shareholding of SDPDPL placed with them as security. In such an event, if the amount realised by such a divestment by the lenders is lower than the redemption amount as due, the Company will be under an obligation to compensate the lenders for the shortfall. For further details, see section "Financial Statements" on page 88.

In addition, SDPDPL has availed of a secured zero coupon term loan of ₹ 508.00 crores from a financial institution for which the total repayment obligation on the maturity date (being January 2016) would be ₹ 708.93 crores. This term loan has been secured by way of a pledge on all direct and indirect shareholding of ELEL.

In effect, the total repayment obligation for LEPPL on a consolidated basis aggregates ₹ 1,402.38 crores covering the current outstanding debt obligations of LEPPL and SDPDPL, its underlying subsidiary.

In addition to the above commitment, certain shareholders of ELEL Hotels and Investments Limited ("**ELEL**") (a company which holds the lease for the Sea Rock Property) have an option to sell 526,854 shares of ELEL at a pre-determined price to the Company on July 1, 2014 upon fulfilment of certain conditions. The requirement of fulfilment of the Company's financial commitments with respect to the Sea Rock Property as mentioned above may adversely affect the Company's results of operations. For further details, see section "Financial Statements" on page 88.

Further, there is an outstanding litigation in relation to *inter alia* grant of additional floor space index for the Sea Rock Property. For details in relation to this litigation, see section "Outstanding Litigation and Defaults" on page 203. Any adverse outcome in this ligation may affect our interest in the Sea Rock Property.

9. A large portion of our revenue is realised from our range of luxury hotels and any adverse development affecting these hotels or the regions in which they operate, may adversely affect our business.

In the nine months ended December 31, 2013 and the year ended March 31, 2013, significant portion of our consolidated revenue was derived from our luxury hotels. We are subject to risks inherent in concentrating our operations in the high end luxury segment of the hotel industry. These risks include, among other things:

- lack of improvement or worsening of global economic conditions;
- reduction in the number of foreign tourists visiting India;

- requirement of higher capital expenditure and funding, in comparison to the hotels outside the luxury segment; and
- intense competition from other high end luxury segment hotels.

Further, some of our key luxury hotels are located in Mumbai and New Delhi and these markets and hotels are likely to continue to account for a large portion of our business in the future. Accordingly, we are subject to certain risks associated with concentration of our key hotel properties in these cities such as increase in supply of hotels and room capacity and competition which could have a material adverse effect on our business, financial condition and results of operations.

10. We have historically derived and continue to derive a substantial portion of our revenue from our operations in India and if we fail to continue to generate a significant portion of our revenue from India, it may affect our growth prospects.

During the year ended March 31, 2013 and March 31, 2012, we derived 71.74% and 73.20% of our consolidated revenue from our domestic operations. We heavily depend upon revenue derived from our operations in India and we intend to continue to increase our presence and market share in India in the future. However, we may not be able to achieve the estimated growth in India due to various factors such as intense competition, decline in tourist arrivals and economic slowdown which could adversely affect our growth prospects.

11. We have incurred and may continue to incur capital expenditure in development of hotels and if development of these hotels is not completed within the estimated time or in accordance with the planned expenditure, it may adversely affect our business, financial condition and results of operations.

Development of our hotels are subject to potential risks and uncertainties, including changes in economic conditions, delays in completion, cost overruns, shortages in materials or labour, defects in design or construction, market or site deterioration after acquisition, delays in obtaining or inability to obtain necessary permits and licenses, changes in location advantages of our existing and proposed properties, possibility of unanticipated future regulatory restrictions such as stricter environmental regulations and the diversion of management resources.

Further, the development of our hotels is normally performed by independent third party contractors. We do not have direct control over the day to day activities of such contractors and rely on such contractors to perform these services in accordance with the relevant contracts. If we fail to enter into such contracts or if the contractors fail to perform their obligations in a manner consistent with their contracts or to the standards we require, our hotels may not be completed in accordance with the standard and the timeframe envisaged or may not be completed at all, which would cause time and cost overruns. If a contractor engaged in construction of our hotel becomes insolvent, it may prove to be impossible to recover compensation for such defective work or materials and we may incur losses as a result of funding the repair of the defective work or paying damages to persons who have suffered loss as a result of such defective work.

If any of these risks materialize, it may have a material adverse effect on our business, financial condition and results of operations.

12. Some of our long term strategic investments have witnessed a decline in their fair value and we cannot assure you that there will be no further diminution in the value of these investments.

We have made certain long term strategic investments which are normally carried at “cost” in our financial statements. Some of these investments have witnessed a decline in their respective fair values on account of the global recessionary conditions that have continued unabated in recent years. Accordingly, as of December 31, 2013, the Company has recognized a diminution in the value of its investments for a total amount of ₹ 676.95 crores in its standalone financial statements and ₹ 737.62 crores in its consolidated financial statements. Further, we also expect additional provision for our investments/financial exposures to the extent of ₹ 400.00 crores on a standalone basis and ₹ 100.00 crores on a consolidated basis for the year ended March 31, 2014. For further details, see sections “Financial Statements” and “Material Developments” on pages 88 and 199. We cannot assure you that the value of these investments will not further decline in the future and any additional diminution in value of these investments may adversely affect our financial condition.

***13. If we are unable to obtain the requisite approvals, licenses, registrations and permits to develop and operate our hotels and other related businesses or are unable to renew them in a timely manner, our operations may be adversely affected*.**

We require a number of regulatory approvals, licenses, registrations and permits for operating hotels and other businesses undertaken by us. These approvals pertain to, amongst others, environmental clearances, licenses from local authorities for manufacturing and sale of eatables and for operating eating and lodging houses, land acquisition and no-objection from Chief Fire Officer for fire safety. Whilst we have obtained a number of required approvals, certain approvals may have expired in the ordinary course of our business and we would have applied for renewal of such approvals. Additionally, we have applied and may also need to apply for additional approvals in the ordinary course of our business. For further details, see section "Government and Other Approvals" on page 212.

Further, the approvals and licenses we have received in relation to our hotel business are subject to numerous conditions, some of which are onerous and require us to incur substantial time and expenditure. We cannot assure you that the approvals, licenses, registrations and permits issued would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may adversely affect our business, financial condition and results of operations.

14. Our ability to exercise management control over our joint ventures is often dependent upon the consent of other participants who are not under our control. Disagreements or unfavourable terms in agreements governing those joint ventures could adversely affect our operations.

We have entered into several joint venture arrangements and derive significant revenue from operation of these joint venture arrangements. Our level of participation in each joint venture arrangement differs and we do not have a controlling interest in some of these operations. Our ability to exercise management control over these arrangements and investments made in the joint venture arrangements may depend upon receiving the consent or co-operation of our joint venture partners. Whilst the precise terms of the arrangements vary, our operations may be affected if disagreements develop with the joint venture partners.

Further, we typically enter into shareholders agreements for these joint venture arrangements which provide the responsibilities and obligations of the partners. It is possible that our joint venture partners may not comply with their obligation under the respective arrangements which could subject us to a variety of risks including, but not limited to:

- partners may not be able to meet their capital contribution obligations;
- partners may subject the property of the joint venture arrangement to liabilities exceeding those contemplated;
- partners may take actions that reduce our return on investment; or
- partners may take actions that harm our reputation or restrict our ability to run our business.

Additionally, investment in third party entities exposes us to certain legal and business risks relating to these entities. As minority shareholders in these entities, we do not control their decision making or operations and there can be no assurance that the business decisions of such entities will always be in our interest. We also do not control dividend decisions of these entities as decisions regarding dividend payment require majority consent. These entities are legally distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations, or to make funds available for such payments. The ability of these entities to make such payments to the Company will be subject to, among other things, availability of funds, terms of each indebtedness and applicable local laws. If dividend payments do not materialise in the amounts that we expect, we may not be able to recover our investment in these, which could have an adverse effect on our business, financial condition and results of operations.

15. Our existing leverage may impair our ability to obtain additional financing in future and subject us to the risk of fluctuating interest rates and our cash flows may be insufficient to meet required payments.

As of the nine months ended December 31, 2013 and the year ended March 31, 2013, the indebtedness (including exchange differences) of the Company was ₹ 2,821.44 crores and ₹ 2,522.27 crores, respectively on a standalone basis and ₹ 4,310.83 crores and ₹ 3,817.64 crores, respectively on a consolidated basis. This does not include redemption premium payable on debentures recorded under provision amounting to ₹ 654.50 crores as on March 31, 2013 and the same is payable on redemption of debentures. Over a period of time, we have strategically endeavoured to reduce our level of borrowings and we believe that we will be able to repay or refinance existing debt and any other indebtedness when it matures. However, our existing level of indebtedness subjects us to important consequences, including but not limited to, the following:

- requirement to dedicate a portion of our cash flow toward repayment of our existing debt (including interest payment), which will reduce the availability of our cash flow to fund working capital, capital expenditures and other general corporate requirements; and
- fluctuations in market interest rates which may adversely affect the cost of our borrowings.

Further, certain of our indebtedness has been either (i) availed in foreign currency under the external commercial borrowing route; or (ii) effectively converted into foreign currency commitments. The payment of interest and repayment of principal amount of such loans may become costlier due to prevailing exchange rate fluctuations. Additionally, some of the borrowings have floating interest rate, linked to LIBOR, which subjects us to variability and uncertainty of future interest payment.

Furthermore, some of our fixed assets, both present and future, have been charged by way of first *pari-passu* charge, in favour of lenders in connection with certain of our financing agreements. Our inability to repay our loans may result in lenders exercising their rights under these agreements.

Additionally, certain of our borrowings require us to maintain certain financial covenants and in case of any breach of these covenants and in absence of a waiver of all of such breaches by the concerned lender, such lender may call for immediate repayment of the entire outstanding amount of the loan, which may adversely affect our financial condition and results of operation.

16. Operation of our hotels entail certain fixed costs that we may not be able to adjust in a timely manner in response to reduction in demand and revenues and rising expenses and which could materially adversely affect our business, financial condition and results of operations.

The fixed costs associated with owning hotels, including committed maintenance costs, property taxes, leasehold payments and maintaining minimum levels of services may be significant. We may not be able to reduce these fixed costs in a timely manner in response to changes in demand for services. Further, our properties could be subject to increase in operating and other expenses due to adverse changes in terms of our hotel management contracts, increasing age of our property and increases in property and other tax rates, utility costs, operating expenses, insurance costs, repairs and maintenance and administrative expenses, which could adversely affect our business, financial condition and results of operations.

17. Our business operations are subject to significant regulation in India.

We and our business operations are subject to numerous laws and regulations in all of the locations in which we operate, including those relating to the preparation and sale of food and beverages, such as health and liquor licensing laws and environmental laws. Our hotels are also subject to laws and regulations governing relationships with employees in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Monitoring legal developments and maintaining internal standards and controls to abide by local rules and regulations can be costly for us which could adversely affect our operations.

Further, our hotels are subject to extensive government and environmental laws and regulations which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our businesses. These laws and regulations include the Environmental Protection Act, 1986, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Act, 1974 and other regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states. We are required to conduct an environmental assessment for most of our hotel projects before receiving regulatory approval for these projects. These environmental assessments may reveal material environmental problems, which could result in us not obtaining the required approvals. Additionally, if environmental problems are discovered during or after the development of a project, we may incur substantial liabilities relating to cleanup and other remedial measures and the value of the relevant hotels could be materially and adversely affected.

Any failure to comply with these rules and regulations could adversely affect our reputation and fines or penalties may have an adverse effect on our financial condition and results of operations.

18. Any failure to protect our trademarks and other intellectual property could reduce the value of our brands and harm our business.

We believe that trademarks and service marks are important assets to our business. In the course of our business, we have been using trademarks, which are material to our business operations. We have obtained several trademark and service mark registrations of our brands, we have applied for more than 150 trademark registrations and more than 100 service marks under several classes of the Trade Marks Act, 1999. Some of our brands for which we have obtained trademarks include:

- **Hotels** - "Taj", "Vivanta by Taj", "The Gateway Hotel", "Taj Hotels Resorts and Palaces", "Ginger", "Taj Exotica Resort and Spa", "Taj Mahal Palace Mumbai", "Taj Wellington Mews", "Taj Lands End Mumbai" and "Jiva";

- **Restaurants** - "Souk", "Wasabi", "Starboard", "Zodiac Grill", "Shamiana", "Sea Lounge", "Golden Dragon", "Masala Craft", "Masala Klub", "Masala Art", "Blue Ginger", "Vista" and "Thai Pavillion"; and

- **Others -** "Epicure", "Taj Inner Circle", "Inditravel", "La Patisserie", "Coffee Table", "Taj Forever", "Taj Khazana", "Taj Salon", "The Taj Club" and "Earth".

While we take necessary steps to use, control and or protect our trademarks or other intellectual property in India and other jurisdictions, we cannot assure you that the pending trademark applications will be granted or that these will always be adequate to prevent third parties from copying or using the trademarks or other intellectual property without authorization. For various reasons, we may either not seek or not obtain or not maintain registration for all or some of our trademarks in all or some of our jurisdictions. Third parties may also challenge our rights to certain trademarks or oppose our trademark applications. Defending any such proceedings may be costly, and if unsuccessful, could result in the loss of important intellectual property rights.

Our intellectual property may also be vulnerable to unauthorized copying or use in some jurisdictions outside India, where local law, or lax enforcement of law, may not provide adequate protection. If our trademarks or other intellectual property are improperly used, the value and reputation of our brands could be harmed. There are times when we may need to resort to litigation to enforce our intellectual property rights. Litigation of this nature could be costly, force us to divert our resources, lead to counterclaims or other claims against us or otherwise harm our business or reputation. In addition, we license certain of our trademarks to third parties. Failure to maintain, control and protect our trademarks and other intellectual property could adversely affect our ability to attract guests or third party owners, and could adversely impact our results.

19. New brands or services that we launch in the future may not be as successful as we anticipate, which could have a material adverse effect on our business, financial condition and results of operations.

Our brands, Vivanta by Taj, Gateway and Ginger, have been introduced in the recent past. We may launch additional branded hotel products and services in the future. We cannot assure you that any new hotel brands launched by us will be accepted by the hotel owners, franchisees or customers, or that we will be able to recover costs we incurred in developing such brands, or that our new brands, products or services will be successful. If new brands, products and services are not as successful as we anticipate, it could have a material adverse effect on our business, financial condition and results of operations.

20. Failure to keep pace with developments in technology could adversely affect our operations or competitive position.

The hotel industry demands use of sophisticated technology and systems for property management, brand assurance and compliance, procurement, reservation systems, operation of our customer loyalty programs, distribution of hotel resources to current and future customers and guest amenities. These technologies may require refinements and upgrades. The development and maintenance of these technologies may require significant investment by us. We cannot assure you that as various systems and technologies become outdated or new technology is required, we will be able to replace or introduce them as quickly as required or in a cost-effective and timely manner. We also cannot assure you that we will achieve the benefits we may have been anticipating from any new technology or system.

21. Our reservation system is an important component of our business operations and a disruption to its functioning could have an adverse effect on our performance and results.

We have arrangements for a global reservation system that communicates reservations to our branded hotels when made by individuals directly, either online or by telephone to our call centers, or through intermediaries such as travel agents, internet travel websites and other distribution channels. The cost, speed and efficiency of the reservation system are important aspects of our business and are an important consideration for hotel owners in choosing to affiliate with our brands. Any failure to maintain or upgrade, and any other disruption to our reservation system may adversely affect our business.

22. Our insurance coverage may not adequately protect us against risks including operating hazards and natural disasters.

Our hotel properties are covered by insurance policies. Such insurance policies typically cover physical loss or damage to our property and equipment arising from a number of specified risks. These risks may pertain to burglary, fire, riot, strike, other material damage to property and development sites, business interruption, terrorism and public liability. Whilst we believe that we maintain reasonable insurance cover for all foreseeable contingencies and which are consistent with industry practices, the occurrence of any event that is uninsurable or not adequately insured could have a material adverse effect on our business, financial condition and results of operations.

Further, whilst we believe that our insurance coverage is adequate, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. To the extent that we suffer any consequential loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

23. We may choose to divest certain of our investments which we may not be able to achieve on commercially profitable basis and which may materially affect our business, financial condition and results of operations.

In the past, we have divested certain of our investments which were not compatible with our strategy. We may continue to evaluate sale opportunities and in the event that we are able to agree on commercially acceptable terms, we may choose to divest certain of our investments in order to realise value for such businesses as well as achieve desired growth levels. It is possible that we may not be able to identify suitable divestment opportunities, or if we do identify suitable opportunities, we may not be able to complete those transactions on terms commercially acceptable to us or at all. In certain circumstances, sale of properties or other assets may also result in lower than expected returns. Upon sale of our properties or assets, we may become subject to contractual indemnity obligations, incur material tax liabilities or, as a result of required debt repayment, face a shortage of liquidity. Additionally, any dispositions could demand significant attention from our management that would otherwise be available for business operations, which could harm our business.

24. We are vulnerable to failure of our information technology systems, which could adversely affect our business, financial condition and results of operations.

Our information technology systems are a critical part of our business and sophisticated technology and systems are used for property management, revenue management, brand assurance and compliance, procurement, reservation systems, operation of our customer loyalty programme, distribution and guest amenities. Whilst a centralized data recovery system is maintained at different locations, damage or interruption to our information systems may require a significant investment to update or replace with alternate systems, and we may suffer interruptions in our operations as a result. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations. Any material interruptions or failures in our systems, including those that may result from our failure to adequately develop, implement and maintain a robust disaster recovery plan and backup systems could severely affect our ability to conduct normal business operations and, as a result, may have a material adverse effect on our business operations and financial performance.

We may also have to make substantial additional investments in new technologies or systems to remain competitive and protect our data. The technologies or systems that we choose may not be commercially successful or the technology or system strategy employed may not be sufficiently aligned with the needs of the business or responsive to changes in business strategy. As a result, we could lose customers, fail to attract new customers or incur substantial costs or face other losses, any of which could have a material and adverse effect on our business operations and financial performance.

25. We are required to comply with data privacy regulations.

The existing and emerging data privacy regulations limit the extent to which we can use personal identifiable information. Compliance with these regulations may require changes in the way data is collected, monitored, shared and used, which could increase operating costs or limit the advantages from processing such data. In addition, non-compliance with data privacy regulations may result in fines, damage to reputation or restrictions on the use or transfer of information.

In addition, breaches in security could expose us, our customers or the individuals affected, to a risk of loss or misuse of this information, resulting in litigation and potential liability for us, as well as the loss of existing or potential customers and damage to our reputation. The cost and operational consequences of implementing further data protection measures could be significant and this may have a material adverse effect on our business, financial condition and results of operations.

26. There are outstanding legal proceedings against the Company, certain of its Directors and subsidiaries which may adversely affect our business, financial condition and results of operations.

There are outstanding legal proceedings against us that are incidental to our business and operations, including certain criminal proceedings against the Company and certain of its Directors and executives. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention, and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. Additionally, some properties on which we are developing projects are subject to litigation. For details in relation to certain material litigation, see section “Outstanding Litigation and Defaults” on page 203.

27. Our future success depends on our ability to achieve synergies across our businesses, replicate successful models across jurisdictions and effectively manage our operational systems, procedures and internal controls.

In the recent past, we have acquired significant interest in hotel assets in India and various overseas markets such as the United States, the United Kingdom, South Africa, Australia and Maldives. Pursuant to these acquisitions, we have sought to identify and achieve synergies and operational efficiencies across business verticals in the various jurisdictions in which we operate. In addition, we have sought to replicate successful business models from one jurisdiction in other jurisdictions across our international network. However, there can be no assurance that we will be able to achieve the synergies that we seek and generate the expected benefits. Further, we may not be able to effectively integrate our acquired businesses into our existing operations, or we may incur higher than anticipated costs, or incur unknown liabilities that could materially and adversely affect our business, financial condition and results of operations.

28. We are subject to risks associated with the domestic and international property markets.

Our operations involve participation in the hotel and serviced apartment property market. As a participant in such market, we may be unfavourably affected by factors specific to property markets, such as changes in interest rates, availability of financing sources, the general cost of land and buildings, legislation in the construction industry and hotel location requirements. Further, the cost and availability of suitable property may be affected by certain macroeconomic factors such as a change in the domestic and regional economic situation in the countries where a hotel property is located, changes in the situation of the local markets where hotels are situated, such as surplus of hotel rooms, a reduction in local demand for rooms as well as the related services or increased competition in the sector.

29. We have, in the past, entered into related party transactions and may continue to do so in the future.

The Company has entered and continue to enter into transactions with certain of its related parties. For further details, see sections "Financial Statements – Audited Standalone Financial Statements as at and for the year ended March 31, 2013 - Note 43" and "Financial Statements – Audited Consolidated Financial Statements as at and for the year ended March 31, 2013 - Note 40" on pages 129 and 173. Whilst we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.

30. Our contingent liabilities could adversely affect our financial condition.

We have created provisions for certain contingent liabilities in our financial statements. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future and that our existing contingent liabilities will not have material adverse effect on our business, financial condition and results of operations. For further details in relation to our contingent liabilities, see section "Financial Statements" on page 88.

31. In the financial statements for the year ended March 31, 2013 and the quarter ended June 30, 2013, the Statutory Auditors, in their report, had highlighted an emphasis of matter in relation to certain of our investments. This emphasis of matter was excluded in their subsequent reports for the quarters ended September 30, 2013 and December 31, 2013. Further, in the unaudited consolidated condensed financial statements for the nine months ended December 31, 2013, the Statutory Auditors, in their report, have included a qualified conclusion in relation to financial statements of certain entities being unaudited/unreviewed by the respective auditors.

The Company's financial statements for the year ended March 31, 2013 and the quarter ended June 30, 2013 contained an emphasis of matter in relation to uncertainty related to the carrying value of investments of the Company in Orient Express Hotels Limited. For further details, see risk factor 12 on page 18 titled "Some of our long term strategic investments have witnessed a decline in their fair value and we cannot assure you that there will be no further diminution in value of these investments" and section "Financial Statements" on page 88. This emphasis of matter on the subject was excluded in the audit reports on the financial statements for the quarter and half year ended September 30, 2013 and the quarter and nine months ended December 31, 2013.

Further, the unaudited consolidated condensed financial statements for the nine months ended December 31, 2013 includes a qualified conclusion in relation to inclusion of the financial statements of certain entities for the nine months ended December 31, 2013 which have not been reviewed / audited by their auditors and the interim financial information of such entities have been certified by the management of the respective entities. The percentage of revenue and total assets of such entities which were unaudited/unreviewed to the aggregate revenue and total assets of the Company on the consolidated basis was 10% and 11.21% respectively. For further details, see section "Financial Statements" on page 88.

We cannot assure you that similar or other matters of emphasis or qualified conclusions will not be made in the future reports issued by the Statutory Auditors in relation to financial statements of the Company.

Objects related risks

32. The Guwahati project and renovation/refurbishment of our hotel properties, towards which a portion of the Net Proceeds is proposed to be utilised, have not been appraised by any bank or financial institution or a third party consultant. In the event of any upward revision in these estimates due to cost escalation or delay in implementing the planned expenditure, the Company may not be able to achieve the desired results from the planned expenditure which could adversely affect the results of operations of the Company.

The Company proposes to utilise ₹ 70.00 crores out of the Net Proceeds of the Issue towards part funding of the capital expenditure proposed to be incurred for developing a premium five star hotel under the brand "Vivanta by Taj" at Guwahati (the "**Guwahati Project**"). For further details, see section "Objects of the Issue" on page 49. Since the Guwahati Project has been funded through internal accruals thus far, no independent appraisal has been undertaken by any bank or financial institution or a third party consultant and the cost estimations and funding requirements of these projects are based on the management estimates and internal study reports of the Company. Whilst a substantial portion of civil construction of the Guwahati Project has been completed as of date, the Company may have to revise its management estimates or the planned completion period for the remaining construction from time to time. Consequently, if the funding requirements for the Guwahati Project increase, the Company may need to procure additional sources of financing, which may not be readily available, or may not be available on commercially reasonable terms.

Further, the Company also proposes to utilise an amount not exceeding ₹ 127.32 crores out of the Net Proceeds towards renovation/ refurbishment of its existing hotel properties. For further details, see section "Objects of the Issue" on page 49. The planned expenditure for renovation/refurbishment are based on the internal estimates, cost analysis and past experience of the Company and have not been appraised by any bank or financial institution or a third party consultant.

In the event that we are required to reschedule or revise the planned expenditure or the period of completion of any of the aforesaid objects, our business, financial condition and results of operations may be adversely affected.

33. Our management will have flexibility to utilize the Net Proceeds in relation to temporary investment of the Net Proceeds pending utilization towards Objects of the Issue and we cannot assure you that the temporary investment of the Net Proceeds will provide desired returns.

Pending utilisation of the Net Proceeds towards the Objects of the Issue, the Company will have flexibility to temporarily invest the Net Proceeds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, corporates and other premium/interest bearing securities. We cannot assure you that the temporary utilisation of the Net Proceeds by our management will result in desired returns.

External Risks

34. We are subject to certain hotel industry related risks applicable in domestic and overseas markets.

Since our primary business is ownership and management of hotels in and outside India, we are subject to certain risks typical to the hotels which are beyond our control. Some of these risks inter alia include:

- increases in operating costs due to escalation of labour costs, utility costs (including energy costs), increased taxes and insurance costs, as well as unanticipated costs owing to acts of nature;
- inflation which could increase our costs and decrease our operating margins;
- increases in transportation and fuel costs for sustained periods and impediments to means of transportation that could adversely affect domestic and international travel;
- political instability in India and overseas markets;
- changes in interest rates and in the availability, cost and terms of financing; and
- changes in governmental laws and regulations, fiscal policies and incentives and the costs of compliance.

The hotel industry has, in the past, been affected by some of the risks stated above. If in the future, one or more of these risks materialise, our business, financial condition and results of operations would be adversely affected.

35. *Benefits and incentives enjoyed by the hotel industry in India may not continue and such change could have an adverse impact on our business.*

There are certain incentives and concessions granted or provided by the Government of India that are currently being enjoyed by the hotel industry. For details of tax benefits available to the Company and to its shareholders, see section "Tax Benefit Statement - Statement of Possible Direct Tax Benefits Available to the Indian Hotels Company Limited ("The Company") and to its Debenture Holders" on page 59. There is no guarantee that such incentives or concessions will continue or will not be withdrawn by the Government of India in the future and such change could have an adverse impact on our business.

36. *Enforcement of foreign judgments against the Company or its management may not be possible or may require additional legal proceedings.*

The Company is a limited liability company incorporated under the laws of India. Majority of the Directors and certain executive officers of the Company are residents of India. A substantial portion of our assets and the assets of the Directors and executive officers of the Company, who are Indian residents, are located in India. As a result, it may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained against the Company or such parties outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against the Company or its officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to execute such a judgment or to repatriate any amount recovered.

37. *Fluctuation of the Rupee against other currencies may affect our financial results and may influence the destinations visited by travellers.*

We own, manage and operate hotels in various countries and accordingly, receive payments in the respective local currencies, such as U.S. Dollars, Pounds Sterling or in Euros. Changes in the value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees, and a possible fluctuation of the aforementioned currencies with respect to the Rupee may have an unfavourable impact on such results. Appreciation of the Rupee could also affect realizations in other currencies as it may not always be possible for prices (quoted in foreign currencies) to be revised upward to compensate for Rupee appreciation. In the ordinary course of business, we may cover foreign exchange risks using standard market instruments. Furthermore, the revenues of resort hotels operated by us are subject to changes in exchange rates to the extent that one of the factors that influences the choice of destination by leisure travellers is the strength of their local currency with respect to the currency of their destination, making certain destinations more attractive when this relation is favourable to the traveller.

38. *Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact the Company's business.*

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact the Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of the Equity Shares.

39. Our business may be adversely affected by recent changes in competition law in India.

The Competition Act, was enacted for the purpose of preventing practices having an appreciable adverse effect on competition in India, and has mandated the Competition Commission of India (the "**CCI**") to regulate such anti-competitive practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India are void and may result in substantial penalties. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition in the relevant market in India and is considered void. Further, the Competition Act prohibits the abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished. If we or any of our employees is penalised under the Competition Act, our business may be adversely affected.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the "**Combination Regulation Provisions**") with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, which sets out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may adversely affect our business.

40. Our transition to the use of the IFRS converged Indian Accounting Standards may adversely affect our financial condition and results of operations.

On February 25, 2011, the Ministry of Corporate Affairs, Government of India ("**MCA**"), notified that the IFRS converged Indian Accounting Standards ("**IND AS**") will be implemented in a phased manner and stated that the date of implementation of IND AS will be notified by the MCA at a later date. As of date, there is no significant body of established practice on which to draw from in forming judgments regarding the implementation and application of IND AS. Additionally, IND AS has fundamental differences with IFRS and as a result, financial statements prepared under IND AS may be substantially different from financial statements prepared under IFRS. As we adopt IND AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. The adoption of IND AS by us and any failure to successfully adopt IND AS in accordance with the prescribed timelines could have an adverse effect on our financial condition and results of operations.

41. Hostilities, wars and other acts of violence or manmade disasters could adversely affect the financial markets and our business.

Wars, terrorism and other acts of violence or manmade disasters may adversely affect our business and the Indian markets in which the Equity Shares trade or on which the CCDs are proposed to be listed. For instance, previous terrorist attacks in India have resulted in an overall reduction in the number of visitors to India since several countries issued travel advisories against travelling to India and many companies curtailed travel. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of our CCDs and Equity Shares.

In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our CCDs and Equity Shares.

42. The occurrence of natural disasters could adversely affect our results of operations and financial condition.

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease could adversely affect our results of operations or financial condition. The potential impact of a natural disaster such as the H5N1 "avian flu" virus or the H1N1 "swine flu" virus on our results of operations and financial condition is highly speculative, and would depend on numerous factors. We cannot assure prospective investors that such events will not occur in the future or that our results of operations and financial condition will not be adversely affected.

43. Changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.

Our business and operations are governed by various laws and regulations. Our business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business.

There can be no assurance that the relevant governmental authorities will not implement new regulations and policies which will require us to obtain additional approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations.

For instance, the Companies Act, 2013 has recently been passed by the Indian Parliament and has received assent of the President of India. Certain sections of the Companies Act, 2013, have been notified and the corresponding sections of the Companies Act, 1956 have ceased to have effect from the date of notification of such sections of the Companies Act, 2013. Whilst the Companies Act, 2013 is not yet fully operational, it envisages significant changes to the Indian company law framework, including the issue of capital by companies, corporate governance, audit matters and corporate social responsibility, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Various provisions of the Companies Act, 2013, are subject to further directions to be issued by the GoI.

Risks Related to the CCDs and Equity Shares

44. The Equity Shares may experience price and volume fluctuations or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian real estate sector and changing perceptions in the market about investments in the Indian real estate sector, adverse media reports on us or the Indian real estate sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequently.

45. An active market for CCDs may not develop, which may cause the price of the CCDs to fall.

The CCDs proposed to be issued by the Company by way of this Issue are a new class of securities of the Company for which, currently, there is no trading market. No assurance can be given that an active trading market for the CCDs will develop or as to the liquidity or sustainability of any such market, the ability of CCD holders to sell their CCDs or the price at which CCD holders will be able to sell their CCDs. If an active market for the CCDs fails to develop or be sustained, the trading price of the CCDs could fall. If an active trading market were to develop, the CCDs could trade at prices that may be lower than the initial offering price of the CCDs. In addition, the market for debt securities in emerging markets has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the CCDs. There can be no assurance that the markets for the CCDs, will not be subject to similar disruptions. Any disruptions in these markets may have an adverse effect on the market price of the CCDs.

46. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares or CCDs.

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced events that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have, from time to time, restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar events occur in the future, the market price and liquidity of the CCDs or the Equity Shares could be adversely affected.

47. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a security-holder's ability to sell, or the price at which a security-holder can sell, Equity Shares or CCDs at a particular point in time.

The Equity Shares issued upon conversion of the CCDs will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independent of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Company's circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform the Company of the percentage limit of the circuit breaker from time to time, and may change it without the Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot make any assurance regarding the ability of shareholders to sell the CCDs or the Equity Shares or the price at which shareholders may be able to sell their CCDs or Equity Shares.

48. Economic developments and volatility in securities markets in other countries may cause the price of the CCDs and Equity Shares issued upon conversion of the CCDs to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Further, the market price of the CCDs may be affected by fluctuations in the market price of the Equity Shares. Any decline in the price of the Equity Shares may have an adverse effect on the price and liquidity of the CCDs.

49. Any future issuance of the Equity Shares may dilute your future shareholding and sales of the Equity Shares by the Promoter or other major shareholders of the Company may adversely affect the trading price of the Equity Shares and the CCDs.

Any future equity issuances by the Company may lead to dilution of your future shareholding in the Company. Any future equity issuances by the Company or sales of the Equity Shares by the Promoter or other major shareholders of the Company may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares of the Company.

Future issuances or the disposal of Equity Shares by any of the major shareholders of the Company or the perception that such issues or sales may occur may significantly affect the trading price of the CCDs and the Equity Shares. Except as otherwise stated in this Draft Letter of Offer, there is no restriction on the Company's ability to issue Equity Shares or the relevant shareholders' ability to dispose of their Equity Shares, and there can be no assurance that the Company will not issue Equity Shares or that any such shareholder will not dispose of, encumber, or pledge its Equity Shares.

50. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or the CCDs.

Capital gains arising from the sale of the Equity Shares are generally taxable in India. Any gain realised on the sale of the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction. The securities transaction tax will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realised on the sale of the Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of the Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India.

51. You may not receive the CCDs that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The CCDs that you purchase in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such CCDs only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the CCDs allocated to you will be credited to your demat account, or that trading in the CCDs will commence within the specified time period, subjecting you to market risk for such period. Further, there is no guarantee that the CCDs will be listed on NSE and BSE in a timely manner, or at all.

PROMINENT NOTES

1. Issue of [●] [●]% CCDs of face value [●] convertible into [●] Equity Shares for an amount not exceeding ₹ 1,000.00 crores on a rights basis to the Eligible Equity Shareholders in the ratio of [●] CCD(s) for every [●] fully paid-up Equity Share(s) held by the Existing Equity Shareholders on the Record Date.

2. As on nine months ended December 31, 2013 and the year ended March 31, 2013, our net worth on a standalone basis was ₹ 3,041.16 crores and ₹ 3,307.65 crores (excluding revaluation reserves*), respectively, and on a consolidated basis was ₹ 2,722.53 crores (unaudited) and ₹ 2,933.52 crores (excluding revaluation reserves*), respectively, as described in the section "Financial Statements" on page 88.

   **Revaluation reserves in this context have been interpreted to mean the increase in the net book value of fixed assets credited to reserves which are not made available for distribution.*

3. For details of our transactions with related parties during the year ended March 31, 2013, the nature of transactions and the cumulative value of transactions, see section "Financial Information – Note 40 of the Audited Consolidated Financial Statements" on page 173.

4. There has been no financing arrangement whereby the Promoter Group, the directors of our Promoters, the Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Letter of Offer with SEBI.

SECTION III: INTRODUCTION

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section "Terms of the Issue" on page 223.

CCDs being offered by the Company	[●] CCDs
Rights Entitlement	[●] CCD(s) for every [●] fully paid-up Equity Share(s) held on the Record Date
Record Date	[●]
Face Value/ Issue Price per CCD	₹ [●] per CCD
Issue Size	Up to ₹ 1,000.00 crores
Interest on CCDs	[●]% per annum payable [●]
Conversion Period of CCDs	Period commencing from the date of Allotment and concluding not later than [●] thereafter
Conversion Price for CCDs	₹ [●]
Conversion Date for CCDs	Each CCD is compulsorily and automatically convertible into [●] Equity Shares at ₹ [●] per Equity Share on [●]
Equity Shares outstanding prior to the Issue	807,472,787 Equity Shares*
Equity Shares outstanding after conversion of CCDs (assuming full subscription for and Allotment of the Rights Entitlement)*	[●] Equity Shares
Terms of the Issue	For more information, see section "Terms of the Issue" on page 223
Use of Issue Proceeds	For further information, see section "Objects of the Issue" on page 49

**16,504 Equity Shares have been issued but not subscribed and have been kept in abeyance by the Company pending resolution of legal dispute.*
***Assuming no further issuance or buyback of Equity Shares by the Company after the date of this Draft letter of Offer other than the issuance of Equity Shares pursuant to conversion of all CCDs.*

Terms of Payment

Due Date	Amount
On the Issue application (i.e. along with the CAF)	[●] per CCD, which constitutes 100% of the Issue Price payable

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Audited Standalone Financial Statements and Audited Consolidated Financial Statements for the year ended March 31, 2013. Our summary financial information presented below, is in Rupees/ Rupees Crore and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in the section "Financial Information" on page 88 of this Draft Letter of Offer.

STANDALONE BALANCE SHEET AS AT MARCH 31, 2013

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Equity and Liabilities		
Shareholders' Funds		
Share Capital	**80.75**	75.95
Reserves and Surplus	**3,226.90**	3,176.70
Money received against warrants	**-**	124.37
	3,307.65	3,377.02
Non-current Liabilities		
Long-term Borrowings	**2,268.13**	2,039.94
Deferred Tax Liabilities (net)	**95.50**	95.93
Other Long-term Liabilities	**74.75**	74.22
Long-term Provisions	**674.42**	584.64
	3,112.80	2,794.73
Current Liabilities		
Short-term Borrowings	**193.54**	122.57
Trade Payables	**152.47**	148.86
Other Current Liabilities	**343.01**	789.58
Short-term Provisions	**116.75**	131.22
	805.77	1,192.23
Total	**7,226.22**	7,363.98
Assets		
Non-current Assets		
Fixed Assets		
Tangible Assets	**1,745.30**	1,826.55
Intangible Assets	**11.16**	12.20
Capital Work-in-Progress	**307.50**	225.43
Intangible Assets Under Development	**1.73**	4.18
	2,065.69	2,068.36
Non-current Investments	**3,369.14**	3,622.19
Long-term Loans and Advances	**1,441.02**	1,346.93
Other Non-current Assets	**12.36**	27.58
	6,888.21	7,065.06
Current Assets		
Inventories	**38.37**	39.79
Trade Receivables	**125.22**	124.83
Cash and Bank Balances	**48.96**	22.93
Short-term Loans and Advances	**92.69**	71.87
Other Current Assets	**32.77**	39.50
	338.01	298.92
Total	**7,226.22**	7,363.98

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Revenue		
Rooms, Restaurants, Banquets and Other Operating Income	**1,875.86**	1,808.73
Other Income	**48.93**	55.99
Total	**1,924.79**	1,864.72
Expenses		
Food and Beverages Consumed	**164.08**	152.87
Employee Benefit Expense and Payment to Contractors	**476.73**	471.38
Finance Costs	**105.20**	111.99
Depreciation and Amortisation	**125.02**	113.90
Other Operating and General Expenses	**830.64**	778.55
Total	**1,701.67**	**1,628.69**
Profit Before Tax and Exceptional Items	**223.12**	236.03
Exceptional Items	**(432.91)**	(6.11)
Profit / (Loss) Before Tax	**(209.79)**	229.92
Tax Expenses		
Current Tax	**52.61**	50.04
Deferred Tax	**25.43**	68.15
Minimum Alternate Tax Credit	**-**	(33.62)
Short Provision of Tax of Earlier Years (net)	**(11.22)**	-
Total	**66.82**	84.57
Profit / (Loss) After Tax	**(276.61)**	145.35
Earnings Per Share -		
Basic and Diluted - (₹)	**(3.47)**	1.91
Face Value per Ordinary Share - (₹)	**1.00**	1.00

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	March 31,2013 ₹ crores	March 31, 2012 ₹crores
Cash Flow From Operating Activities		
Net Cash From Operating Activities (A)	**332.02**	448.62
Cash Flow From Investing Activities		
Net Cash Used In Investing Activities (B)	**(233.81)**	(468.09)
Cash flow From Financing Activities		
Net Cash Used In Financing Activities (C)	**(86.27)**	(47.93)
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	**11.94**	(67.40)

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Equity and Liabilities		
Shareholders' Funds		
Share Capital	**80.75**	75.61
Reserves and Surplus	**2,898.53**	2,893.72
Money received against Share Warrants	**-**	124.37
	2,979.28	3,093.70
Minority Interest	**707.72**	646.90
Non-current Liabilities		
Long-term Borrowings	**3,431.18**	3,083.78
Deferred Tax Liabilities (net)	**128.79**	130.18
Other Long-term Liabilities	**76.22**	76.61
Long-term Provisions	**695.98**	604.03
	4,332.17	3,894.60
Current Liabilities		
Short-term Borrowings	**247.67**	170.02
Trade Payables	**319.96**	313.90
Other Current Liabilities	**574.63**	965.43
Short-term Provisions	**135.13**	147.59
	1,277.39	1,596.94
Total	**9,296.56**	9,232.14
Assets		
Non-current Assets		
Fixed Assets		
Tangible Assets	**5,342.48**	5,173.02
Intangible Assets	**40.46**	43.07
Capital Work-in-Progress	**400.57**	330.88
Intangible Assets Under Development	**20.93**	20.52
	5,804.44	5,567.49
Goodwill on Consolidation (net)	**512.83**	489.51
Non-current Investments	**1,522.61**	1,841.15
Deferred Tax Assets (net)	**4.45**	2.49
Long-term Loans and Advances	**476.42**	431.90
Other Non-current Assets	**26.49**	52.30
	8,347.24	8,384.84
Current Assets		
Current Investments	**40.69**	62.75
Inventories	**96.74**	86.35
Trade Receivables	**273.98**	290.38
Cash and Bank Balances	**210.06**	159.72
Short-term Loans and Advances	**256.04**	181.18
Other Current Assets	**71.81**	66.92
	949.32	847.30
Total	**9,296.56**	9,232.14

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Income		
Rooms, Restaurants, Banquets and Other Operating Income	**3,743.36**	3,443.52
Other Income	**60.16**	71.38
Total	**3,803.52**	3,514.90
Expenditure		
Food and Beverages Consumed	**381.55**	362.57
Employee Benefit Expenses and Payment to Contractors	**1,271.75**	1,148.77
Finance Costs	**170.74**	212.47
Depreciation and Amortisation Expenses	**288.42**	255.07
Other Operating and General Expenses	**1,552.42**	1,386.93
Total	**3,664.88**	3,365.81
Profit Before Tax and Exceptional Items	**138.64**	149.09
Exceptional Items Gain / (Loss)	**(430.43)**	(1.52)
Profit Before Tax	**(291.79)**	147.57
Tax Expense		
Current Tax	**91.47**	86.77
Deferred Tax	**22.55**	70.50
Minimum Alternate Tax Credit	**(1.37)**	(35.84)
Short / (Excess) Provision of Tax of earlier years (Net)	**(13.69)**	0.32
Total	**98.96**	121.75
Profit / (Loss) After Tax	**(390.75)**	25.82
Profit attributable to Minority Interest	**(40.86)**	(38.40)
Share of Profit of Associates	**1.37**	15.64
Profit / (Loss) After Tax	**(430.24)**	3.06
Earnings Per Share -		
Basic and Diluted - (₹)	**(5.40)**	0.04
Face Value per Ordinary share - (₹)	**1.00**	1.00

TAJ Hotels Resorts and Palaces

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Cash Flow From Operating Activities		
Net Cash From Operating Activities (A)	**501.77**	534.23
Cash Flow From Investing Activities		
Net Cash Used In Investing Activities (B)	**(347.25)**	364.52
Cash Flow From Financing Activities		
Net Cash Used In Financing Activities (C)	**(117.32)**	(1,052.44)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**37.20**	(153.69)

GENERAL INFORMATION

The Company was incorporated on April 1, 1902 as a public limited company under the Indian Companies Act, 1882.

Registered Office of the Company

Indian Hotels Company Limited
Mandlik House
Mandlik Road
Mumbai 400 001
Tel: (91 22) 6665 3238
Fax: (91 22) 2202 7442
Website: www.tajhotels.com
Corporate Identification Number: L74999MH1902PLC000183
E-mail: investorrelations@tajhotels.com

Address of the RoC

The Company is registered with the RoC, which is situated at the following address:

Registrar of Companies
Everest, 5th Floor
100, Marine Drive
Mumbai 400 002

Company Secretary and Compliance Officer

Beejal Desai
Vice President – Legal and Company Secretary
Indian Hotels Company Limited
Mandlik House
Mandlik Road
Mumbai 400 001
Tel: (91 22) 6665 3238
Fax: (91 22) 2202 7442
E-mail: investorrelations@tajhotels.com

Lead Managers to the Issue

JM Financial Institutional Securities Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Tel: (91 22) 6630 3030
Fax: (91 22) 6630 3330
E-mail: ihcl.rights.2013@jmfl.com
Investor Grievance E-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Ms. Lakshmi Lakshmanan
SEBI Registration No.: INM000010361
Corporate Identification Number:
U65192MH1995PLC092522

DSP Merrill Lynch Limited
8th Floor, Mafatlal Center
Nariman Point,
Mumbai 400 021
Tel: (91 22) 6632 8000
Fax: (91 22) 2204 8518
E-mail: DG.IHCL_Rights@baml.com
Investor Grievance E-mail: dg.india_merchantbanking@baml.com
Website: www.dspml.com
Contact Person: Vikram Khaitan
SEBI Registration No.: INM000011625
Corporate Identification Number:
U74140MH1975PLC018618

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Tel: (91 22) 22178300
Fax: (91 22) 22188332

Standard Chartered Securities (India) Limited
2nd Floor, 23-25
M.G. Road, Fort
Mumbai 400 001
Tel: (91 22) 4205 6119
Fax: (91 22) 4205 5999

E-mail: ihcl.rights@sbicaps.com
Investor Grievance E-mail:
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Nithin Kanuganti/ Kavita Tanwani
SEBI Registration No.: INM000003531
Corporate Identification Number:
U99999MH1986PLC040298

E-mail: ihcl-rights@sc.com
Investor Grievance E-mail: investor@sc.com
Website: www.standardcharteredsecurities.co.in
Contact Person: Nikhil Tulsyan
SEBI Registration No.: INM000011542
Corporate Identification Number:
U65990MH1994PLC079263

Legal Advisor to the Issue as to Indian law

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Statutory Auditors of the Company

Deloitte Haskins & Sells LLP, Chartered Accountants
Indiabulls Finance Centre, 32nd Floor, Tower 3
Compound, Elphinstone (W)
Mumbai 400 013
Tel: (91 22) 6185 4000
Fax: (91 22) 6185 5380
Firm Registration Number: 117366W

M/s. PKF Sridhar & Santhanam, Chartered Accountants
KRD Gee Gee Crystal, 7th floor
91-92, Dr. Radhakrishnan Salai, Mylapore
Chennai 600 004
Tel: (91 44) 2811 2985/6/7/8
Fax: (91 44) 2811 2989
Firm Registration Number: 003990S

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (West)
Mumbai 400 078
Tel: (91 22) 2596 7878
Fax: (91 22) 2596 0329
E-mail: tihcl.rights@linkintime.co.in
Investor Grievance E-Mail: tihcl.rights@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Pravin Kasare
SEBI Registration No.: INR000004058*
Corporate Identification Number: U67190MH1999PTC118368

**Link Intime India Private Limited has obtained a certificate of registration from SEBI which is valid from May 6, 2009 to May 5, 2014. It has made an application dated January 30, 2014 to SEBI for grant of renewal of the registration, in accordance with the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993, as amended. The renewal of the registration from SEBI is currently awaited.*

Investors may contact the Registrar or the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSB, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors.

Experts

The Company has received consent from the Joint Statutory Auditors, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants and M/s. PKF Sridhar & Santhanam, Chartered Accountants to include their names as "experts" under Section 2(38) read with Section 26 of the Companies Act, 2013 in this Draft Letter of Offer in relation to their report on the standalone financial statements of the Company for the year ended March 31, 2013 and the nine months ended December 31, 2013 provided under section "Financial Statements" on page 89 and page 181 respectively, and the tax benefit statement provided under section "Tax Benefit Statement - Statement of Possible Direct Tax Benefits Available to the Indian Hotels Company Limited ("The Company") and to its Debenture Holders" on page 59. Further, the Company has received consent from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants to include their name as an "expert" under Section 2(38) read with Section 26 of the Companies Act, 2013 in this Draft Letter of Offer in relation to their report on the consolidated financial statements of the Company for the year ended March 31, 2013 and their report on the unaudited consolidated condensed financial statements for the nine months ended December 31, 2013 provided under section "Financial Statements" on page 136 and page 188 respectively. Further, these consents have not been withdrawn as of the date of this Draft Letter of Offer.

Bankers to the Issue and Escrow Collection Banks

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

Issue Schedule

Issue Opening Date	:	[●]
Last date for receiving requests for SAFs	:	[●]
Issue Closing Date	:	[●]
Date of Allotment (on or about)	:	[●]
Date of credit (on or about)	:	[●]
Date of listing (on or about)	:	[●]

Statement of responsibilities

The following table sets forth the *inter se* allocation of responsibilities for various activities among the Lead Managers:

Sr. No.	Activities	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.	All	JM Financial
2.	Drafting, design and distribution of the Letter of Offer, Abridged Letter of Offer, CAF, etc. and memorandum containing salient features of the Letter of Offer. The Lead Managers shall ensure compliance with the SEBI Regulations, Listing Agreement and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI	All	JM Financial
3.	Selection of various agencies connected with the Issue, namely Registrar to the Issue, printers, advertisement agencies, Credit Rating Agency; Monitoring Agency and Debenture Trustee and co-ordinating with the Debenture Trustee including	All	JM Financial

Sr. No.	Activities	Responsibility	Co-ordination
	finalisation of related documents		
4.	Drafting and approval of all publicity material including statutory advertisement, corporate advertisement, brochure, corporate films, etc.	All	SBICAP
5.	International institutional marketing strategy and road show presentation	All	DSPML
6.	Domestic institutional marketing strategy	All	Standard Chartered
7.	Retail/non-institutional marketing strategy	All	SBICAP
8.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and the SCSBs to get quick estimates of collection and advising the Company about the closure of the Issue, based on correct figures, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs, etc., and underwriting arrangement, if any	All	JM Financial

Credit Rating

The details of the credit rating of the CCDs are as follows:

[●]

Debenture Trustee

Centbank Financial Services Limited
15-16, Bajaj Bhawan
1st Floor, Opp. Inox Multiplex
Nariman Point
Mumbai 400 021
Tel: (91 22) 2202 2788 and (91 22) 2208 5018
Fax: (91 22) 2202 5043
E-mail: info@cfsi.in
Website: www.cfsl.in
Contact Person: S. Rama Krishna
SEBI Registration No.: IND000000502
Corporate Identification Number: U67110MH1929GOI001484

Monitoring Agency

The Company has appointed [●] as the monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 16 of the SEBI Regulations.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Issue, the Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount by more than eight days after the Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), the Company shall pay interest for the delayed period, as prescribed under Section 39 of the Companies Act, 2013.

Underwriting

[●]

Principal Terms of Loans and Assets charged as security

For details in relation to the principal terms of loans and assets charged as security in relation to the Company, see section "Financial Statements" on page 88.

CAPITAL STRUCTURE

The equity share capital of the Company as at the date of this Draft Letter of Offer is as set forth below:

(In ₹ crores, except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	1,000,000,000 Equity Shares of ₹ 1 each*	100.00	NA
	10,000,000 Cumulative Redeemable Preference Shares of ₹ 100 each*	100.00	NA
B	**ISSUED CAPITAL BEFORE THE ISSUE****		
	807,489,291 Equity Shares of ₹ 1 each	80.75	NA
C	**SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	80.75	NA
	807,472,787 Equity Shares of ₹ 1 each		
D	**PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER**		
	[●] CCDs of ₹ [●] each	[●]	[●]
E	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE AND AFTER CONVERSION OF CCDs AT CONVERSION PRICE**		
	[●] Equity Shares of ₹ 1 each	[●]	NA
SECURITIES PREMIUM ACCOUNT		*(in ₹ crores)*	
Before the Issue		2,095.14 (as of December 31, 2013)	
After the Issue and after conversion of CCDs at Conversion Price		[●]	

* *The Board of Directors, pursuant to its resolution dated March 27, 2014, subject to approval of the shareholders of the Company, has approved re-classification of the authorised share capital of the Company from 1,000,000,000 Equity Shares of ₹ 1 each and 10,000,000 Cumulative Redeemable Preference Shares of ₹ 100 each into 2,000,000,000 Equity Shares of ₹ 1 each aggregating to ₹ 2,000,000,000. The said resolution has been included in the postal ballot notice issued by the Company and the dispatch of the postal ballot notice is proposed to be completed by April 21, 2014. The details of such approval will be disclosed in the Letter of Offer before filing with the Stock Exchanges.*
** *16,504 Equity Shares have been issued but not subscribed and have been kept in abeyance by the Company pending resolution of court/legal disputes.*

The present Issue has been authorized by the Board of Directors, pursuant to its resolution dated March 27, 2014.

Notes to the Capital Structure

1. **Shareholding Pattern of the Company as per the last filing with the Stock Exchanges**

(i) The shareholding pattern of the Company as on March 31, 2014, is as follows:

Category Code	Category of Shareholder	No. of Shareholders	Total no. of Shares	No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares Pledge or Otherwise Encumbered	
					As a Percentage of (A+B)	As a Percentage of (A+B+C)	Number of Shares	As a Percentage of Total Shares
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	Promoter and Promoter Group							
(1)	Indian							

Category Code	Category of Shareholder	No. of Shareholders	Total no. of Shares	No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares Pledge or Otherwise Encumbered	
					As a Percentage of (A+B)	As a Percentage of (A+B+C)	Number of Shares	As a Percentage of Total Shares
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(a)	Individual /HUF	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	13	303,066,224	303,066,224	37.54	37.53	0	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(1) :	**13**	**303,066,224**	**303,066,224**	**37.54**	**37.53**	**0**	**0.00**
(2)	Foreign							
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total A=A(1)+A(2)	**13**	**303,066,224**	**303,066,224**	**37.54**	**37.53**	**0**	**0.00**
(B)	**Public Shareholding**							
(1)	Institutions							
(a)	Mutual Funds /UTI	32	10,512,747	10,355,084	1.30	1.30	0	0.00
(b)	Financial Institutions /Banks	52	126,468,253	126,452,753	15.67	15.66	0	0.00
(c)	Central Government / State Government(s)	1	2,500	2,500	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	6	36,643,707	36,642,207	4.54	4.54	0	0.00
(f)	Foreign Institutional Investors	118	136,415,321	136,395,601	16.90	16.89	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
(i)	Foreign Financial Institutions/ Banks	4	5,951	5,951	0.00	0.00	0	0.00
	Sub-Total B(1) :	**213**	**310,048,479**	**309,854,096**	**38.41**	**38.40**	**0**	**0.00**
(2)	Non-Institutions							
(a)	Bodies Corporate	2,258	28,534,675	28,435,750	3.53	3.53	0	0.00
(b)	Individuals						0	
	(i) Individuals holding nominal share capital upto ₹1 lakh	154,741	139,991,415	123,578,333	17.34	17.34	0	0.00
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	47	11,177,934	10,496,194	1.38	1.38	0	0.00
(c)	Any Others						0	
	Trusts	32	4,648,419	4,648,419	0.58	0.58	0	0.00
	Directors & their Relatives	6	162,225	162,225	0.02	0.02	0	0.00
	Foreign Nationals and Non Resident Indians	2,673	5,336,737	5,286,457	0.66	0.66	0	0.00
	Clearing members	225	579,110	579,110	0.07	0.07	0	0.00
	Hindu undivided family	3,513	3,681,189	3,681,189	0.46	0.46	0	0.00
	Sub-Total B(2) :	**163,495**	**194,111,704**	**176,867,677**	**24.05**	**24.04**	**0**	**0.00**

Category Code	Category of Shareholder	No. of Shareholders	Total no. of Shares	No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares Pledge or Otherwise Encumbered	
					As a Percentage of (A+B)	As a Percentage of (A+B+C)	Number of Shares	As a Percentage of Total Shares
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
	Total B=B(1)+B(2) :	**163,708**	**504,160,183**	**486,721,773**	**62.46**	**62.44**	**0**	**0.00**
	Total (A+B) :	**163,721**	**807,226,407**	**789,787,997**	**100.00**	**99.97**	**0**	**0.00**
(C)	Shares held by custodians, against which Depository Receipts have been issued							
(1)	Promoter and Promoter Group	0	0	0	0	0.00	0	0.00
(2)	Public	1	246,380	246,380	0.00	0.03	0	0.00
	Sub-Total B(2) :	1	246,380	246,380	0.00	0.03	0	0.00
	GRAND TOTAL (A+B+C) :	**163,722**	**807,472,787**	**790,034,377**	**100.00**	**100.00**	**0**	**0.00**

(ii) Statement showing holding securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group" as at March 31, 2014:

Sr. No	Name of the Shareholder	Details of Shares held		Encumbered shares (*)			Details of Warrants		Details of convertible securities		Total Shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A)+(B)+(C)	Pledge Shares	As a percentage	AS a % of grand total (A) + (B) + (C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)*100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	Lady Tata Memorial Trust	17,728,200	2.20	0	0.00	0.00	0	0.00	0	0.00	2.20
2	Sir Dorabji Tata Trust	50,221,040	6.22	0	0.00	0.00	0	0.00	0	0.00	6.22
3	Sir Ratan Tata Trust	11,023,220	1.37	0	0.00	0.00	0	0.00	0	0.00	1.37
4	Tata Sons Limited	202,052,004	25.02	0	0.00	0.00	0	0.00	0	0.00	25.02
5	Tata Investment Corporation Limited	9,894,060	1.23	0	0.00	0.00	0	0.00	0	0.00	1.23
6	Ewart Investments Limited	1,318,543	0.16	0	0.00	0.00	0	0.00	0	0.00	0.16
7	Tata Chemicals Limited	7,271,666	0.90	0	0.00	0.00	0	0.00	0	0.00	0.90
8	Tata Global Beverages Limited	1,687,742	0.21	0	0.00	0.00	0	0.00	0	0.00	0.21
9	Tata Industries Limited	452,571	0.06	0	0.00	0.00	0	0.00	0	0.00	0.06
10	Tata Capital Limited	12,000	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
11	Oriental Hotels Limited	511,836	0.06	0	0.00	0.00	0	0.00	0	0.00	0.06
12	Taida Trading & Industries Limited	127,768	0.02	0	0.00	0.00	0	0.00	0	0.00	0.02
13	Taj Madurai Limited	765,574	0.09	0	0.00	0.00	0	0.00	0	0.00	0.09
	TOTAL :	**303,066,224**	**37.53**	-	-	-	-	-	-	-	**37.53**

(iii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of Equity Shares as on March 31, 2014:

Sl. No	Name of the Shareholder	No. of shares held	Shares as % of Total No. of Shares	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				No. of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1.	Life Insurance Corporation of India	67,797,250	8.40	0	0	0	0	8.40
2.	Government Pension Fund Global	40,454,747	5.01	0	0	0	0	5.01
3.	LIC of India - Market Plus Growth Fund	16,953,393	2.10	0	0	0	0	2.10
4.	General Insurance Corporation of India	14,507,509	1.80	0	0	0	0	1.80
5.	Saif III Mauritius Company Ltd	13,107,574	1.62	0	0	0	0	1.62
6.	Siwa Holdings Ltd.	11,923,042	1.48	0	0	0	0	1.48
7.	The New India Assurance Company Ltd.	11,530,462	1.43	0	0	0	0	1.43
8.	LIC of India Money Plus Growth Fund	9,253,512	1.15	0	0	0	0	1.15
9.	Life Insurance Corporation of India P & Gs Fund	9,082,074	1.12	0	0	0	0	1.12
10.	FID Funds Mauritius Ltd.	8,317,199	1.03	0	0	0	0	1.03
	TOTAL	**202,926,762**	**25.13**	0	0	0	0	**25.13**

(iv) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with Persons Acting in Concert) belonging to the category "Public" and holding more than 5% of the total number of Equity Shares as on March 31, 2014:

Sl. No	Name of the Shareholder(s)	No. of shares held	Shares as %	Details of warrants	Details of convertible securities	Total shares

	and the Persons Acting in Concert (PAC) with them		of Total No. of Shares	No. of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	(including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
	Life Insurance Corporation of India	67,797,250	8.40	0	0	0	0	8.40
	Government Pension Fund Global	40,454,747	5.01	0	0	0	0	5.01
	TOTAL	**108,251,997**	**13.41**	0	0	0	0	**13.41**

2. No Equity Shares or Preference Shares have been acquired by the Promoter or members of the Promoter Group in the year immediately preceding the date of filing of this Draft Letter of Offer with SEBI.

3. Except as disclosed below, as on date of this Draft Letter of Offer, none of the Equity Shares held by any of the shareholders of the Company are locked in.

Sr. No.	Name of the Shareholder	Number of Shares	Locked-in Shares as a percentage of total number of Equity Shares
1.	Tata Sons Limited(1)	48,000,000	5.94
	Total	**48,000,000**	**5.94**

(1)Pursuant to conversions of 48,000,000 warrants on June 22, 2012, 48,000,000 Equity Shares of face value of ₹ 1 each had been issued and allotted to Tata Sons Limited at a price of ₹ 103.64 per Equity Share, which are subject to lock-in for a period of three years from the date of allotment.

4. In 1995, the Company issued 5,195,783 GDRs at a price of USD 16.60 each representing 5,195,783 equity shares of the Company of ₹ 10 each, which were listed on the London Stock Exchange Plc. and 246, 380 GDRs are outstanding as of March 31, 2014.

5. **Subscription to the Issue by the Promoter and Promoter Group**

Our Promoter, Tata Sons Limited, has undertaken to subscribe, on its own account, to the full extent of their rights entitlement in the Issue. The members of the Promoter Group (except for the Trusts as mentioned below) subject to approval of their respective Board of Directors or a committee thereof, have undertaken to subscribe, on their own account, to the full extent of their rights entitlement in the Issue.

Sir Dorabji Tata Trust, Lady Tata Memorial Trust and Sir Ratan Tata Trust (the "**Trusts**"), which are members of the Promoter Group, have confirmed that they will renounce all of their rights entitlements in favour of the Promoter of our Company since subscription to their rights entitlement in the Issue would not be covered under the category of eligible investments under the provisions of the Bombay Public Trusts Act, 1950, as amended. Our Promoter has confirmed to subscribe, on its own account, to the full extent of any rights entitlement that may be renounced in its favour by the Trusts. Accordingly, the rights entitlement of the Promoter and the Promoter Group in this Issue will be fully subscribed as set forth above. The subscription by our Promoter and other members of the Promoter Group to CCDs in this Issue to the extent of their rights entitlement will not attract open offer requirements under the Takeover Regulations. Further, the allotment of Equity Shares of the Company pursuant to conversion of CCDs subscribed by the Promoter and other members of the Promoter Group of the Company to the extent of their rights entitlement in this Issue shall be exempt from open offer requirements in terms of Regulation 10(4)(a) of the Takeover Regulations.

Further, our Promoter and members of the Promoter Group, except the Trusts, reserve their right to determine their intention to apply for additional CCDs in the Issue or subscribe to any CCDs which may be renounced in their favour or any unsubscribed portion of the Issue, subject to compliance with applicable law. As a result of any such subscription and consequent allotment of CCDs, the Promoter and other members of the Promoter Group may acquire CCDs over and above their rights entitlement. Such acquisition of CCDs or acquisition of Equity Shares pursuant to conversion of the CCDs by our Promoter and other members of the Promoter Group over and above their rights entitlement will not attract open offer requirements under the Takeover Regulations, subject to (A) compliance with Regulation 10(4)(b)(i) of the Takeover Regulations (Promoter and members of the Promoter Group, subscribing to the full extent of their rights entitlement and the Promoter subscribing to the full extent of the rights entitlement renounced by the Trusts in its favour, as mentioned above) and (B) the conversion price of the CCDs calculated on the basis of the conversion ratio (at which the CCDs are converted to Equity Shares of the Company which will be specified in the Letter of Offer), not being higher than the ex-rights price of the Equity Shares of the Company as determined as per Regulation 10(4)(b)(ii) of the Takeover Regulations.

The acquisition of Equity Shares of the Company on conversion of CCDs subscribed by the Promoter and members of the Promoter Group shall be exempt from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the Takeover Regulations as mentioned above, and shall not result in a change of control of the management of the Company. The date of acquisition for purposes of reporting requirements specified in Regulation 10(6) and Regulation 10(7) of the Takeover Regulations will be the date of conversion of the CCDs. The Company is in compliance with Clause 40A of the Listing Agreement and will continue to comply with minimum public shareholding requirements pursuant to the Issue and on allotment of Equity Shares upon conversion of CCDs as mentioned above.

6. Neither the Promoter nor the members of the Promoter Group hold any CCDs as of the date of this Draft Letter of Offer and no CCDs have been locked-in, pledged or encumbered.

7. None of the Equity Shares held by the members of our Promoter Group are pledged or otherwise encumbered, as on date of this Draft Letter of Offer.

8. The Issue being a rights issue, as per Regulation 34(c) of the SEBI Regulations, the requirements of promoters' contribution and lock-in are not applicable.

9. The Company does not have any employee stock option scheme or employee stock purchase scheme.

10. The Company has not undertaken any public issue in the three years immediately preceding the date of this Draft Letter of Offer.

11. Except for 246,380 Global Depository Receipts, as on date of this Draft Letter of Offer, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Draft Letter of Offer.

12. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Letter of Offer with the Stock Exchanges within a period of six months from the Issue Opening Date.

13. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the Takeover Regulations is ₹ [●].

14. If we do not receive the minimum subscription of 90% in this Issue or the subscription level falls below 90%, after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount by more than eight days after we become liable to pay the subscription amount (i.e., 15 days after the Issue Closing Date), we will pay interest for the delayed period, as prescribed under Section 39 of the Companies Act, 2013.

15. At any given time, there shall be only one denomination of the CCDs and the Equity Shares of our Company.

16. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares allotted pursuant to conversion of CCDs, shall be fully paid up. For further details on the terms of the issue, see section "Terms of the Issue" on page 223 of this Draft Letter of Offer.

OBJECTS OF THE ISSUE

The Company intends to utilize the proceeds from the Issue, after deduction of the Issue related expenses (hereinafter referred to as the "**Net Proceeds**"), towards funding the following objects:

1. Part funding of capital expenditure proposed to be incurred by the Company for construction of Vivanta by Taj, Guwahati;

2. Repayment or pre-payment of certain borrowings of the Company;

3. Funding of capital expenditure related to renovation proposed to be undertaken at some of our existing hotels; and

4. General Corporate Purposes.

The main objects and objects incidental or ancillary to the main objects set out in our Memorandum of Association enable the Company to undertake its existing activities and the activities for which the funds are being raised by the Company through this Issue.

The details of the Net Proceeds are summarized in the table below:

(In ₹ crores)

Particulars	Amount
Gross Proceeds	1,000.00
Less: Issue related expenses	[•][(1)]
Net Proceeds	[•][(1)]

[(1)] *To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchanges*

Means of Finance

The following table sets forth the total expenditure expected to be incurred in relation to the objects of the Issue, the amounts proposed to be financed from the Net Proceeds and other means of financing:

(In ₹ crores)

Sr. No.	Object of the Issue	Total Estimated Cost or Amount Outstanding as at March 31, 2014[(1)], as applicable	Capital Expenditure Incurred as at March 31, 2014	Amount Proposed to be Financed from Net Proceeds	Amount Proposed to be Financed from Identifiable Internal Accruals	Percentage amount Proposed to be Financed from Net Proceeds or Identifiable Internal Accruals (In %)
1.	Part funding of the capital expenditure proposed to be incurred by the Company for construction of Vivanta by Taj, Guwahati	166.80[(2)]	68.18 [(3)]	70.00	28.62	100.00
2.	Repayment or pre-payment of certain borrowings of the Company	552.68[(4)]	Not Applicable	552.68	0.00	100.00
3.	Funding of capital expenditure related to renovation proposed to be undertaken at some of our existing hotels	127.32[(5)]	0.00	127.32	0.00	100.00
4.	General corporate purposes	Not Applicable	Not Applicable	[•][(6)]	-	100.00

[(1)]Including redemption premium, if any, payable at redemption on the NCD tranche proposed to be redeemed from the Net Proceeds.
[(2)] As approved by the Board through its resolution dated August 8, 2012.
[(3)] As certified by Damji Merchant & Co, Chartered Accountants (Firm Registration Number: 102082W) vide their certificate dated April 11, 2014.
[(4)] As certified by Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W 100018) vide their certificate dated April 15, 2014. Further, Deloitte Haskins & Sells LLP, the Chartered Accountants have confirmed that the said borrowings have been utilized for the purposes for which they were availed. Also, the said amount includes premium payable at the time of redemption. For further details, see object titled "Repayment / pre-payment, in full or in part, of certain borrowings of the Company" on page 52.
[(5)] As certified by the management of the Company vide their certificate dated April 15, 2014.
[(6)]To be determined on finalization of the Issue Price and updated in the Letter of Offer to be filed with the Stock Exchanges.

The fund requirements mentioned above are based on the internal management estimates of the Company and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and the Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations. Consequently, the fund requirements of the Company and deployment schedules are subject to revisions in the future at the discretion of the management. If additional funds are required for the purposes set forth above, such requirement may be met through our internal accruals, additional capital infusion, debt arrangements or any combination thereof. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds as stated above, the Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws.

The Company proposes to meet the entire fund requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, the Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

The following table sets forth the schedule of utilisation of the Net Proceeds:

Sr. No.	Particulars	Amount to be utilised (In ₹ Crores)	
		Fiscal 2015	Fiscal 2016
1.	Part funding of the capital expenditure proposed to be incurred by the Company for construction of Vivanta by Taj, Guwahati	50.00	20.00
2.	Repayment or pre-payment of certain borrowings of the Company	552.68	0.00
3.	Funding of capital expenditure related to renovation proposed to be undertaken at some of our existing hotels	30.00	97.32
4.	General corporate purposes	[●]	[●]

In the event that the Net Proceeds are not completely utilized for the purposes stated above by Fiscal 2016, the same would be utilized in subsequent fiscal years.

Details of the activities to be financed from the Net Proceeds

1. Part funding of capital expenditure proposed to be incurred by the Company for construction of Vivanta by Taj, Guwahati

We operate our upper upscale hotels through our "Vivanta by Taj" brand. For further details of our strategic brand "Vivanta by Taj", see section "Our Business" on page 69. The Company is currently developing a hotel under the brand "Vivanta by Taj" at Guwahati (the "**Vivanta Guwahati**").

The estimated cost of construction and commissioning of the Vivanta Guwahati is ₹ 166.80 crores. As certified by Damji Merchant & Co, Chartered Accountants (Firm Registration Number: 102082W), through certificate dated April 11, 2014, the capital expenditure incurred by the Company for construction of the Vivanta by Taj, Guwahati as at March 31, 2014 was ₹ 68.18 crores. The Company intends to utilise ₹ 70.00 crores from the Net Proceeds in Fiscal 2015 and Fiscal 2016 to part fund further capital expenditure proposed to be incurred for construction of the Vivanta Guwahati. The balance capital expenditure is proposed to be funded from internal accruals of the Company. Any borrowings availed by the Company for construction of the Vivanta Guwahati, during the period commencing from the date of this Draft Letter of Offer up to the receipt of Net Proceeds, shall be repaid from the Net Proceeds earmarked for this object as stated above.

Description of the Vivanta Guwahati

The Vivanta Guwahati is envisaged to be a hotel with 150 guestrooms and suites, three food and beverage locations (which would include all-day dining restaurant, specialty restaurant and bar), banquet and conference areas, a spa, a fitness centre and a swimming pool. The Vivanta Guwahati is being developed with a total built-up area of 248,319 square feet on a leasehold land ad measuring approximately 20,147 square meters. The said land has been leased by the Company from the Government of Assam, through a lease deed dated October 6, 2008, for a period of 60 years commencing from the date of the lease (the "**Original Term**"). Upon expiry of the Original Term, the lease shall be renewed for a period of 30 years on same terms and conditions, except commercial terms which shall be settled by mutual agreement between the parties.

Designing of the Vivanta Guwahati has been completed and the Company has appointed a reputed engineering and construction company for construction of the said hotel. Construction of the Vivanta Guwahati commenced in November, 2012 and is expected to be completed by first quarter of Fiscal 2016.

Project Cost and Amount Incurred as at March 31, 2014

Out of the total project cost of ₹ 166.80 crores, the Company has deployed an amount of ₹ 68.18 crores as at March 31, 2014, towards the development of the Vivanta Guwahati. The table below provides details of various components of the project cost and the cost incurred on each component as at March 31, 2014:

(In ₹ crores)

Sr. No.	Details	Total estimated Project Cost	Amount of capital expenditure incurred till March 31, 2014[(1)]	Balance capital expenditure proposed to be incurred
1.	Payment towards construction contract	143.50	56.17	87.33
2.	Piling works	5.85	5.50	0.35
3.	Consultants	6.20	4.83	1.37
4.	Project management and others costs	11.25	1.68	9.57
	Total	**166.80**	**68.18**	**98.62**

[(1)]As certified by Damji Merchant & Co, Chartered Accountants (Firm Registration Number: 102082W) vide their certificate dated April 11, 2014

Of the balance amount of ₹ 98.62 crores to be incurred towards completion of construction of the Vivanta Guwahati, the Company proposes to utilize ₹ 70.00 crores from the Net Proceeds and ₹ 28.62 crores from identifiable internal accruals.

Schedule of Implementation

The Company expects to commission and operate the Vivanta by Taj - Guwahati by first quarter of Fiscal 2016. The table below provides a breakup of major items forming part of the development and their expected date of completion:

Sr. No.	Details	Expected completion date
1.	Design and layout planning	Completed
2.	Land acquisition	Completed
3.	Completion of shell and core	Completed[(1)]
4.	Completion of back of house areas and testing commissioning of major equipments	November 2014[(2)]
5.	Completion of guest floors and public areas	January 2015[(2)]
6.	Receipt of all necessary approvals to commence operations	April 2015[(2)]
7.	Commencement of commercial operations of the Vivanta Guwahati	June 2015[(2)]

[(1)] As certified by Edifice Consultants Private Limited, Architect through its certificate dated April 11, 2014.
[(2)] As certified by the management of the Company through its certificate dated April 15, 2014.

2. Repayment or pre-payment of certain borrowings of the Company

The Company proposes to utilize an amount of ₹ 552.68 crores from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by the Company (including redemption premium on non-convertible debentures). The Company may repay or refinance some of its existing borrowings prior to Allotment. Accordingly, the Company may utilise the Net Proceeds for repayment or pre-payment of any such refinanced loans or additional loan facilities obtained by it. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or pre-payment of borrowings (including re-financed or additional loans availed) would not exceed ₹ 552.68 crores.

The following table provides the details of the borrowings availed by the Company which are currently proposed to be fully or partly repaid or pre-paid from the Net Proceeds:

Sr. No.	Name of the Lender	Nature of the Borrowing	Date of the Sanction Letter/ Document	Amount Borrowed	Principal Amount Outstanding as at March 31, 2014[1]	Principal Amount Proposed to be Repaid / Prepaid[1]	Redemption Premium Proposed to be Financed from Net Proceeds[1]	Repayment Date / Schedule	Purpose	Pre-payment clause (if any)
				(In ₹ crores)						
1.	HDFC Bank	Short Term Loan[2]	Sanction letter dated July 23, 2013	200.00	150.00	150.00	Not Applicable	Loan tenor of 1 year from the drawdown date (i.e. July 25, 2013 & July 30, 2013). However a put/ call option is available at any time after 6 months from the drawdown date. Bullet repayment of the principal amount on maturity.	Need based working capital facility and for business requirements	No pre-payment penalty if pre-payment is at the end of two months from the drawdown date and on monthly rests (interest payment dates). Thereafter, repayment is subject to a prior notice of seven working days prior to the pre-payment.

Sr. No.	Name of the Lender	Nature of the Borrowing	Date of the Sanction Letter/ Document	Amount Borrowed	Principal Amount Outstanding as at March 31, 2014[(1)]	Principal Amount Proposed to be Repaid / Prepaid[(1)]	Redemption Premium Proposed to be Financed from Net Proceeds[(1)]	Repayment Date / Schedule	Purpose	Pre-payment clause (if any)
				(In ₹ crores)						
2.	HDFC Bank	Term Loan[(2)]	Sanction letter dated August 20, 2013	100.00	100.00	100.00	Not Applicable	Loan tenor of 3 years from the drawdown date (i.e. August 26, 2013). However a put/ call option is available at 18 months from the drawdown date. Bullet repayment of the principal amount on maturity.	Need based capital expenditure and for business requirements.	No pre-payment penalty if pre-payment is at the end of six months from the drawdown date and on monthly rests (interest payment dates). Thereafter, repayment is subject to a prior notice of seven working days prior to the pre-payment.
3.	Various Subscribers to NCDs	3,000 Non-convertible Debentures of face value of ₹ 1 million each allotted on a private placement basis on March 22, 2010.[(3)] Debentures are currently rated as ICRA AA by ICRA and Care AA+ by CARE.	Disclosure Document dated March 18, 2010	300.00	300.00	60.00	27.22	Tenor of seven years from the date of allotment. Debentures can be redeemed in 3 annual instalments at the end of the 5th, 6th and 7th year from the date of allotment. Amount payable on redemption at the end of: 5th year: ₹ 87.22 crores 6th year: ₹ 141.50 crores 7th year: ₹ 255.24 crores	Capital expenditure, refinance of existing debt and general corporate purposes.	-
4.	Various Subscribers to NCDs	1,500 Non-convertible Debentures of face	Disclosure document dated	150.00	150.00	150.00	65.46	Tenor of 5 years from the date of allotment.	Capital expenditure, refinance of	-

Sr. No.	Name of the Lender	Nature of the Borrowing	Date of the Sanction Letter/ Document	Amount Borrowed	Principal Amount Outstanding as at March 31, 2014(1)	Principal Amount Proposed to be Repaid / Prepaid(1)	Redemption Premium Proposed to be Financed from Net Proceeds(1)	Repayment Date / Schedule	Purpose	Pre-payment clause (if any)
				(In ₹ crores)						
		value of ₹ 1 million each allotted on a private placement basis on December 8, 2009. (2) Debentures currently rated as ICRA[AA] by ICRA and Care AA+ by CARE.	December 8, 2009.						existing debt and general corporate purposes.	

(1)*As certified by Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W 100018) vide its certificate dated April 15, 2014. Further, Deloitte Haskins & Sells LLP, Chartered Accountants, have confirmed that these borrowings have been utilized for the purposes for which they were availed*
(2)*The loan/ debentures are unsecured.*
(3)*The debentures are secured by first pari passu charge on the fixed assets of the Company*.

3. Funding of renovation / refurbishment capital expenditure at some of our existing hotels

As of December 31, 2013, we operated or managed 125 hotels and resorts with 15,391 rooms, and had presence across various geographical segments, including beach resorts, hill stations, wildlife sanctuaries, and major cities and tourist destinations. In order to maintain high standards of service and excellence that our brands are associated with and to address growth in customers visiting our hotels, we regularly invest in the renovation, refurbishment or expansion of existing facilities in our hotels.

Over the past five years, depending on commercial, competitive, liquidity and other considerations, we have undertaken renovation and routine capital expenditure at many of our hotels, across geographic and branding segments. Such renovation and routine capital expenditure included, amongst others:

(i). refurbishment of rooms and suites;
(ii). establishing new/ renovating restaurants and other facilities, such as gymnasiums, salons and spas;
(iii). renovation of key public areas, such as the hotel lobbies, coffee shops, bars and poolside areas;
(iv). refurbishment or establishment of board rooms, conference rooms and business centres;
(v). revamping of ballrooms and banquet halls.

To meet these objectives, between Fiscal Year 2009 and Fiscal Year 2013 the Company has capitalised a total of ₹ 340.79 crores towards renovation and routine capital expenditure in existing properties excluding capital expenditure on new projects, expansion, restoration and corporate office (as certified by Damji Merchant & Co., Chartered Accountants (Firm Registration Number: 102082W), through its certificate dated April 11, 2014). Some of the hotels in which Company had carried out renovations / refurbishments during the aforementioned period are set out below:

- **Taj Palace, New Delhi**: Renovation of key public areas including banqueting spaces, restaurants, rooms and bar.

- **Taj West End, Bangalore**: A phase wise renovation of public areas, select guest rooms, board room, meeting spaces, health club and salon.

- **Gateway Hotel, Bangalore**: Renovation of rooms, select banquet and meeting rooms, and the lobby.

In addition to the above, the Company also completed extensive restoration work in the heritage wing and some of the restaurants at Taj Mahal Palace, Mumbai which were badly damaged in terror attacks of November 2008.

As illustrated above, the Company undertakes renovation and refurbishment at its hotels on a regular basis in its normal course of business. Such renovation is based on commercial, competitive, liquidity and other considerations that are inherent in the business undertaken by the Company.

The Company proposes to utilise an amount not exceeding ₹ 127.32 crores out of the Net Proceeds towards renovation or refurbishment in some of its existing hotels, being The Taj Mahal Palace, Mumbai, The Taj Palace Hotel, New Delhi, The Taj West End, Bangalore, Vivanta by Taj – Fort Aguada, Goa and Taj Exotica, Goa. The order in which the Company shall renovate / refurbish these existing properties shall be decided by the Board of Directors or a duly authorised committee thereof, based on the assessment of the prevalent circumstances of the business, commercial considerations and any regulatory requirements, subject to a maximum of ₹ 127.32 crores from the Net Proceeds of the Issue.

4. General Corporate Purposes

The Company proposes to deploy the balance portion of Net Proceeds aggregating ₹ [•] crores towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with applicable laws.

The Company, in accordance with the policies formulated by our Board, will have flexibility in applying ₹ [•] crores towards general corporate purposes, including, amongst other things, (a) brand building and other marketing expenses; (b) acquiring assets, such as furniture and fixtures, and vehicles; (c) meeting any expenses incurred in the ordinary course of business by the Company and our Subsidiaries, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) repair, maintenance, and upgradation of our existing hotels; and (e) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Estimated Issue Related Expenses

The estimated Issue related expenditure is as follows:

Sr. No.	Activity Expense	Amount (in ₹ crores)(1)	Percentage of Total Estimated Issue Expenditure(1)	Percentage of Issue Size(1)
1.	Fees of the Lead Manager	[●]	[●]	[●]
2.	Fees to the legal advisor, other service providers and statutory fees	[●]	[●]	[●]
3.	Fees of Registrar to the Issue	[●]	[●]	[●]
4.	Advertising and marketing expenses	[●]	[●]	[●]
5.	Printing and stationery, distribution, postage etc.	[●]	[●]	[●]
6.	Other expenses	[●]	[●]	[●]
Total Estimated Issue Expenditure		[●]	100%	[●]

(1)*To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchanges*

Bridge Financing Facilities

The Company has not availed any bridge loans from any bank / financial institutions as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Pending utilization for the objects described above, the Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. The Company intends to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with schedule commercial banks included in second schedule of Reserve Bank of India Act, 1934, corporates and other premium / interest bearing securities. The Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

Monitoring Utilization of Funds from the Issue

The Company has appointed [●] as the Monitoring Agency in relation to the Issue. Our Board will monitor the utilization of the Net Proceeds. The Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Clause 49 of the Listing Agreement, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to our Board.

In accordance with Clause 43A of the Listing Agreement, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee. In the event that the Monitoring Agency points out any deviation in the use of Net Proceeds from the objects of the Issue as stated above, or has given any other reservations with respect to the end use of Net Proceeds, the Company shall intimate the same to the Stock Exchanges without delay.

Other confirmations

Except as stated above, no part of the proceeds from the Issue will be paid by the Company as consideration to its Promoters, Directors, Group Companies or key managerial personnel, except in the normal course of its business.

TAX BENEFIT STATEMENT

To,
The Board of Directors
The Indian Hotels Company Limited,
Mandlik House,
Mandlik Road,
Mumbai 400 001, India

Sub: Statement of Possible Direct Tax Benefits in connection with proposed rights issue (the "Issue") of The Indian Hotels Company Limited (the "Company" / the "Issuer"/ "IHCL")

We report that the enclosed statement states the possible direct tax (viz Indian Income Tax Act, 1961 and Wealth Tax Act, 1957) benefits available to the Company and to its shareholders under the current direct tax laws referred to above, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The possible direct tax benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is intended solely for information and for inclusion in the Offer Document in connection with the proposed Issue of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent.

Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time. No assurance is given that the revenue authorities/courts will concur with the views expressed in this Tax Benefit Statement. We do not assume responsibility to update the views consequent to such changes.

The views are exclusively for the use of IHCL and shall not, without our prior written consent, be disclosed to any other person, except to the extent disclosure is otherwise permitted by the terms of our engagement.

Disclosure of all or any part of this Tax Benefit Statement to any other person is on the basis that, to the fullest extent permitted by law, neither Deloitte Haskins & Sells LLP nor any other Deloitte Entity accepts any duty of care or liability of any kind to the recipient, and any reliance on it is at the recipient's own risk.

Disclosure of all or any part of this Tax Benefit Statement to any other person is on the basis that, to the fullest extent permitted by law, neither PKF Sridhar & Santhanam nor any other PKF Entity accepts any duty of care or liability of any kind to the recipient, and any reliance on it is at the recipient's own risk.

Sincerely,

For **DELOITTE HASKINS & SELLS LLP,**	For **PKF Sridhar & Santhanam**
Chartered Accountants (Registration No. 117366W/W-100018)	Chartered Accountants (Registration No. 003990S)
Sanjiv V. Pilgaonkar	Dhiraj Kumar Birla
(Partner)	(Partner)
(Membership No. 39826)	(Membership No. 131178)
April 15, 2014	**April 15, 2014**

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE INDIAN HOTELS COMPANY LIMITED ("THE COMPANY") AND TO ITS DEBENTURE HOLDERS

Under the current tax laws, the tax benefits, *inter-alia,* will be available to Indian Hotels Company Limited ("the Company") and to its Debenture Holders. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider in his own case the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')

Pre-conversion of CCDs into equity shares

I. *To the Resident Debenture Holder*

1. Interest on CCD received by Debenture Holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:

a. On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. (w.e.f. 01.06.2008).

b. In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF') Debenture Holder does not or is not likely to exceed ₹ 5,000 in the aggregate during the Financial year and the interest is paid by an account payee cheque.

c. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no deduction of tax at source as per the provisions of section 197(1) of the I.T. Act and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest. The Debenture Holder can also obtain certificate for lower rate of deduction;

d. (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A (1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the aggregate of interest income credited or paid or likely to be credited or paid during the Financial year in which such income is to be included exceeds the maximum amount which is not chargeable to tax, as may be prescribed in each year's Finance Act.

   To illustrate, as on 01.04.2013,the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is ₹ 2,00,000; in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is ₹ 2,50,000; and in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is ₹ 5,00,000 for Financial Year 2013-14.

   (ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non- deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax for FY 2013-14 provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued under section 197(1) of the I.T. Act, has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.

3. As per section 2(29A) of the I.T. Act, read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

   As per section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

   However as per the third proviso to section 48 of the I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of the I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Thus, long term capital gains arising out of listed debentures would be subject to tax at the rate of 10 % computed without indexation.

   In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

4. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 3 above would also apply to such short term capital gains.

5. If the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

II. *To the Non Resident Debenture Holder*

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

a. As per section 115C(e) of the I.T. Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

b. Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with the provisions contained therein.

c. Under section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with the provisions contained therein.

d. Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C of the I.T. Act and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

e. Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 of the I.T. Act for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with the provisions of section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,

a. Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation

b. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

c. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

3. Under Section 195 of the I.T. Act, the company is required to deduct tax at source i.e. 20% on investment income and 10% on any long-term capital gains as per section 115E of the I.T. Act**,** and at the normal rates for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian.

4. In case of foreign companies, where the income paid or likely to be paid exceeds ₹ one crore but does not exceed ten crores rupees a surcharge of 2% of such tax liability is payable and when such income paid or likely to be paid or likely to be paid exceeds rupees ten crores, surcharge at 5% of such tax is payable. 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is also deductible.

5. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of a certificate of his being a resident in any country outside India obtained from the government of that country or any specified territory is a mandatory condition for availing benefits under any DTAA. As per section 90(5) of the I.T. Act, the non-resident shall be required to provide such other information, as has been notified.

6. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA of the I.T. Act.

III. *To the Foreign Institutional Investors (FIIs)*

1. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and education and secondary and higher education cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and education and secondary and higher education cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.

2. Income other than capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions of Section 115AD of the I.T. Act. In addition to the aforesaid tax, in case of foreign corporate FIIs where the income exceeds Rupees One Crore but does not exceed Rupees Ten Crores, a surcharge of 2% of such tax liability is also payable and when the Income exceeding Rupees Ten Crores, a surcharge at 5% of such tax liability is also payable. A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is payable by all categories of FII's.

3. In accordance with and subject to the provisions of section 196D (2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.

4. The provisions at para II (5 and 6) above would also apply to FIIs.

IV. *To the Other Eligible Institutions*

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein.

V. *Exemption under Sections 54EC and 54F of the I.T. Act*

1. Under section 54EC of the I.T .Act, long term capital gains arising to the debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of ₹ 50 Lakhs during any financial year in the notified bonds. Where the benefit of section 54EC of the I.T .Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the I.T .Act.

2. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

   This exemption is available, subject to the condition that the Debenture Holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Debenture Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

VI. *Requirement to furnish PAN under the I.T. Act*

1. *Sec.139A(5A)*

a. Section 139A(5A) of the I.T. Act requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.

2. *Sec.206AA:*

a. Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which attracts tax shall be deducted at the higher of the following rates:

(i) at the rate specified in the relevant provision of the I.T. Act; or
(ii) at the rate or rates in force; or
(iii) at the rate of twenty per cent.

b. A declaration under Section 197A(1) or 197A(1A) or 197A(1C) of the I.T. Act shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case

c. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply

VII. *Taxability of gifts received for nil or inadequate consideration*

As per section 56(2)(vii) of the I.T. Act, where an individual or Hindu Undivided Family receives debentures from any person on or after 1st October, 2009:

(i) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

(ii) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration;

shall be taxable as the income of the recipient at the normal rates of tax

However, this provision would not apply to any receipt:

(a) from any relative; or
(b) on the occasion of the marriage of the individual; or
(c) under a will or by way of inheritance; or
(d) in contemplation of death of the payer or donor, as the case may be; or
(e) from any local authority as defined in Section 10(20) of the I.T. Act
(f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Section 10(23C) of the I.T. Act
(g) from any trust or institution registered under section 12AA of the I.T. Act

Conversion of Debenture into Equity Shares

As per section47(x) of the I.T. Act, any gains arising from the conversion of CCDs to Equity shares is not subject to capital Gains Tax.

Post conversion of Debentures into Equity Shares

VIII. *To the Resident Shareholder*

1. As per section 10(34) of the I.T. Act, any income by way of dividends referred to in section 115-O of the I.T. Act received on the shares of any domestic company is exempt from tax in the hands of the recipient Company. Such dividend is to be excluded while computing Minimum Alternate Tax ("MAT") liability. Further, in the context of the dividend payable by the Company to its shareholders, by virtue of section 115-O of the I.T. Act, the Company would be liable to pay Dividend Distribution Tax ("DDT") @ 15% (plus applicable surcharge and cess) on the total amount declared, distributed or paid as dividend. In calculating the amount of dividend on which DDT is payable, dividend shall be reduced by dividend received from its subsidiary, subject to fulfillment of certain conditions.

2. As per section 10(38) of the I.T. Act, long term capital gains arising to the company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund (as defined

in the I.T. Act) where such transaction has been entered into on a recognized stock exchange of India and is chargeable to securities transaction tax, will be exempt in the hands of the Company.

3. Under section 54EC of the I.T. Act and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the I.T. Act) arising on the transfer of a long term capital asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset" (as defined in the I.T. Act). The investment in the long term specified assets is eligible for such deduction to the extent of ₹ 50,00,000 during any financial year. However, if the Company transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

4. In terms of section 111A of the I.T. Act, any short term capital gain arising to the Company from the transfer of a short term capital asset being an equity share in a company or unit of an equity oriented fund on or after 1st day of October 2004, where such transaction is chargeable to securities transaction tax, would be subject to tax @ 15% (plus applicable surcharge and cess).

   As per section 70 read with section 74 of the I.T. Act, short-term capital loss, if any arising during the year can be set-off against short-term capital gain as well as against the long-term capital gains and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed. The brought forward short term capital loss can be set off against future capital gains.

5. As per section 112 of the I.T. Act, taxable long-term capital gains arising (on which securities transaction tax is not paid), on sale of listed securities or units or zero coupon bonds, will be charged to tax @ 20% (plus applicable surcharge and cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the I.T. Act or @ 10% (plus applicable surcharge and cess) without indexation benefits, whichever is lower.

   As per section 70 read with section 74 of the I.T. Act, long-term capital loss, if any arising during the year can be set-off only against long-term capital gain and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed for set off against future long term capital gain. The brought forward long term capital loss can be set off only against future long term capital gains.

6. In a situation where the shareholder transfers the shares of the Company, which are held as 'long-term capital assets' and such transaction is not covered by the provisions of section 10(38) of the I.T. Act as referred to earlier, the shareholder can consider availing of the benefit as provided in section 54F of the I.T. Act. Shareholders being individuals or Hindu Undivided Family (HUF) can consider the conditions so stated in section 54F of I.T. Act and examine the availability of the benefit based on their individual tax position.

IX. *To the Non-Resident Shareholder (Other than FIIs)*

1. The tax benefits / implications referred to in paragraphs 1, 2, 3, 4 and 5 under the heading "To the Resident Shareholder" will equally apply to the Non-Resident Shareholders.

2. As per first proviso to section 48 of the I.T. Act, in case of a non-resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Indexation benefit is not available in such a case.

3. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the I.T. Act, the provisions of the I.T. Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

4. As per section 90(4) of the I.T. Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the I.T. Act, unless a certificate of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the I.T. Act, the non-resident shall be required to provide such other information, as has been notified.

X. *To the Non-Resident Indians*

1. As per section 115E of the I.T. Act, shareholders in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the shares of the Company (in cases not covered under section 10(38) of the I.T. Act) will be subject to tax @ 10% (plus applicable surcharge and cess), without any indexation benefit.

2. As per section 115F of the I.T. Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of long term capital asset being shares of the Company, which were acquired, or purchased with or subscribed to in, convertible foreign exchange, will not be chargeable to tax if the entire net consideration received on such transfer is invested within six months in any specified asset or savings certificates referred to in section 10(4B) of the I.T. Act. Shareholders in this category can consider the conditions so stated in section 115F of the I.T. Act and examine the availability of the benefit based on their individual tax position.

3. As per section 115I of the I.T. Act, a non-resident Indian may elect not to be governed by the provisions of "Chapter XII-A – Special Provisions Relating to Certain Incomes of Non-Residents" for any assessment year by furnishing a declaration along with his return of income for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the I.T. Act.

XI. *To the FIIs / Foreign Portfolio Investors ('FPIs')*

Special Tax Benefits

1. As per section 115AD of the I.T. Act, FIIs will be taxed on the capital gains that are not exempt under the provision of section 10(38) of the I.T. Act, at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains (other than referred to in section 111A of the I.T. Act)	30
Short term capital gains referred in section 111A of the I.T. Act	15

The above tax rates have to be increased by the applicable surcharge and cess. Further, for the purposes of Section 115AD, FPIs would get similar treatment as available to FIIs.

2. As per section 196D(2) of the I.T. Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD of the I.T. Act.

3. In case of long term capital gains, (in cases not covered under section 10(38) of the I.T. Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

4. The tax benefits / implications referred to in 1, 2, 3, 4 and 5 under the heading "To the Resident Shareholder" will equally apply to FIIs/FPIs.

5. The tax benefits / implications referred to in paragraphs 3 and 4 under the heading "To the Non-Resident Shareholders (Other than FIIs)" will equally apply to FIIs/FPIs.

XII. Tax benefits available to the Company

1. As per section 10(34A) of I.T. Act, any income arising to the Company being a shareholder on account of buy back of shares (not being shares listed on a recognized stock exchange in India) referred in section 115QA is exempt from tax. Such income is to be excluded while computing MAT liability.

2. As per section 10(35) of I.T. Act, the following income will be exempt in the hands of the Company:

   a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
   b. Income received in respect of units from the Administrator of the specified undertaking; or
   c. Income received in respect of units from the specified company:

   Such income is to be excluded while computing MAT liability.

   However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

3. In terms of section 32 of the I.T. Act, the Company is entitled to claim deduction for depreciation at the rates prescribed under the Income-tax Rules, 1962, subject to certain conditions.

   Unabsorbed depreciation, if any, for an assessment year can be carried forward indefinitely and set off against any sources of income in the same year or any subsequent assessment years as per section 32(2) of the I.T. Act subject to provisions of section 72(2) and 73(3) of the I.T. Act.

4. In terms of section 35D of I.T. Act, the Company will be entitled to a deduction equal to one-fifth of the preliminary expenditure of the nature specified in the said section by way of amortization over a period of five successive years, subject to stipulated limits.

5. As per section 35AD of the I.T. Act, the company is eligible for deduction in respect of whole of the expenditure of capital in nature (excluding expenditure on acquisition of land or financial instrument or goodwill) incurred on construction of a new hotel (specified business) in the year in which such hotel commences its operations, subject to the fulfillment of the conditions specified in that section. Where deduction under section 35AD of the I.T. Act is claimed, no depreciation would be allowed as per section 35AD(4) of the I.T. Act. Further, no deduction can be claimed under Chapter VI-A for the profit and gains of such business as per section 35AD(3) of the I.T. Act. Any loss from such specified business shall be set off against the profit of other specified business. The carried forward loss from such specified business, if any, can be set off against the profits of other specified business and if such loss cannot be wholly set off it can be carried forward indefinitely.

6. As per section 80ID of the I.T. Act, the company will be eligible for deduction of an amount equal to 100% of the profits and gains derived from business of hotels located in the specified district/ area for 5 Assessment years. However, the deduction is available only if the construction of hotel is completed and it starts functioning within the time limit specified in section 80-ID (2) of the I.T. Act. Further the aforesaid hotel should not be formed by splitting up or the reconstruction of a business already in existence subject to few exceptions and subject to the fulfillment of other conditions as specified in the said section.

7. As per section 80IE of the I.T. Act, the company will be eligible for deduction of an amount equal to 100% of the profits and gains derived from business of hotel located in North Eastern States for 10 Assessment years. However, the deduction is available only if such hotel starts functioning within the time limit specified in section 80-IE (2) of the I.T. Act. Further the aforesaid hotel should not be formed by splitting up or the reconstruction of a business already in existence subject to few exceptions and subject to the fulfillment of other conditions as specified in the said section.

8. Interest paid on debentures will be allowed as deduction under section 36(1)(iii) of the I.T.Act. In case debenture borrowings are utilized for acquisition of assets for extension of existing business, then, interest attributable to such borrowing, from the date of acquisition of the assets till the date on which such assets was first put to use, shall not be allowed as deduction. However, the same could be capitalised and depreciation can be claimed under section 32 of the I.T. Act.

9. Any loss incurred by the Company under the head “Profit and Gains from Business or Profession”, can be set off against any other income (other than speculation income) of the same year.

   As per section 72 of I.T. Act, any business loss can be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed. The brought forward business loss can be set off only against future business income (other than speculation income).

10. As per section 115JAA(1A) of I.T. Act, credit is allowed in respect of any MAT paid under section 115JB of I.T. Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of I.T. Act for that assessment year. The MAT credit is allowed to be set-off in the subsequent years to the extent of difference between MAT payable and the tax payable as per the normal provisions of I.T. Act for that assessment year. The MAT credit is allowed to be carried forward for 10 assessment years immediately succeeding the assessment year in which tax credit becomes allowable.

11. The Company is entitled to a deduction under section 80G of I.T. Act either for whole of the sum paid as donation to specified funds or institution or 50% of sums paid, subject to limits and conditions as provided in section 80G.

12. The tax benefits / implications referred to in paragraphs 1,2,3,4 and 5 under the heading “To the Resident Shareholder” will equally apply to the Company.

B. IMPLICATIONS UNDER THE WEALTH TAX ACT, 1957

Wealth-tax is not levied on investment in debentures or shares under section 2(ea) of the Wealth-tax Act, 1957.

Notes:

(i) We do not express any opinion or provide any assurance as to whether:

- the Company or its Debenture Holders or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met with.

The contents of the above statements are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

(ii) The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures and equity shares of the Company. The benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holders, Shareholders and the Company is advised to consider in his/their own case the tax implications in respect of subscription to the rights issue after consulting his tax advisor as alternate views are possible. We are not liable to the Company or the Debenture Holders or the Shareholder in any manner for placing reliance upon the contents of this statement of tax benefits.

(iii) This statement does not discuss any tax consequences in the country outside India of an investment in the Debentures / Equity Shares. The Debenture Holder / subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income tax consequences that apply to them.

Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time. No assurance is given that the revenue authorities/courts will concur with the views expressed in this Tax Benefit Statement. We do not assume responsibility to update the views consequent to such changes.

The views are exclusively for the use of The Indian Hotels Company Limited and shall not, without our prior written consent, be disclosed to any other person, except to the extent disclosure is otherwise permitted by the *terms of our engagement.*

Disclosure of all or any part of this Tax Benefit Statement to any other person is on the basis that, to the fullest extent permitted by law, neither DELOITTE HASKINS & SELLS LLP nor any other Deloitte Entity accepts any duty of care or liability of any kind to the recipient, and any reliance on it is at the recipient's own risk.

SECTION IV: ABOUT THE COMPANY

OUR BUSINESS

Overview

The Company was incorporated in 1902 and is promoted by Tata Sons Limited, which held 25.02% of the Company's shareholding as of March 31, 2014. We are primarily engaged in the business of owning, operating and managing hotels and resorts and are one of the leading hospitality chains in south-east Asia.

Our first hotel, the Taj Mahal Palace, Mumbai, commenced operations in 1903. In the last few decades, we have undertaken significant geographical expansion and registered our presence in many key travel destinations both in India and abroad. We have also been actively involved in converting former royal palaces in India into world class luxury hotels. Some of our marquee hotels which are operated out of former royal palaces are Rambagh Palace, Jaipur, Ummaid Bhawan Palace, Jodhpur, Taj Falaknuma Palace, Hyderabad and Taj Lake Palace, Udaipur. In addition to the palace hotels, many of our other hotels are located in iconic or heritage buildings, such as the Taj Mahal Palace, Mumbai and The Pierre, New York. We started our international expansion in the 1980s with the acquisition of a hotel in Yemen and subsequently, in the United Kingdom. As of December 31, 2013, we had a presence in various international destinations including New York, London, Sydney, Cape Town, Dubai and Maldives. During the 1990s, we continued to expand our geographic and market coverage in India and also started undertaking specialized operations, such as operation of wildlife lodges. We currently operate four wildlife lodges located at Bandhavgarh, Kanha, Panna and Pench in the state of Madhya Pradesh. In 2000, we entered into a partnership with the GVK Reddy Group to set up Taj GVK Hotels and Resorts Limited and thereby obtained ingress into the southern business city of Hyderabad. During the last 10 years, we have further increased our geographic presence both in India and internationally and have also launched the "*Ginger*" brand for budget travellers.

As of December 31, 2013, we operated or managed 125 hotels and resorts with 15,391 rooms, and had presence across various geographical segments, including beach resorts, hill stations, wildlife sanctuaries, major cities and tourist destinations. Our hotels and resorts are located in many large Indian towns and cities, and some key international leisure destinations, including Boston, Cape Town, Colombo, Dubai, Langkawi, London, Maldives and New York. Our inventory of hotels and rooms has witnessed significant growth between the period from March 31, 2009 to December 31, 2013. In addition to operation and management of hotels, we operate wildlife lodges in India, spas under the "*Jiva*" brand and airline catering, through our subsidiary Taj SATS Air Catering Limited.

We operate and manage our hotels through four different strategic brands, each of which caters to a distinct customer segment. Our four strategic brands are: (i) Taj, which is our luxury brand, (ii) Vivanta by Taj, which is our upper upscale brand, (iii) The Gateway Hotels, which is our upscale brand, and (iv) Ginger Hotels, which caters to budget travellers.

We undertake our business through direct ownership of hotels, lease arrangements, licensing arrangements and operating and management contracts. These diverse modes of business operation complement each other and enable us to efficiently capitalise on our brand for achieving sustained growth. We have transformed to an asset-light model and propose to undertake future expansion largely through lease/ licensing arrangements or operating and management contracts.

We have been awarded several significant hospitality industry awards in India and internationally.

The total income of the Company, on a consolidated basis, increased to ₹ 3,803.52 crores in the Financial Year 2013 from ₹ 3,514.90 crores in the Financial Year 2012, representing a growth of 8.21%. The Company had a total loss after tax of the Company, on a consolidated basis, of ₹ 430.24 crores in the Financial Year 2013 and a profit after tax of ₹ 3.06 crores in the Financial Year 2012. The profit after tax of the Company, on a consolidated basis, but, before exceptional items, amounted to ₹ 0.19 crores for the Financial Year 2013 and ₹ 4.58 crores for the Financial Year 2012. For the nine months period ended December 31, 2013, the total income and loss after tax of the Company, on a consolidated basis, were ₹ 3,020.97 crores and ₹ 393.00 crores, respectively.

Our Competitive Strengths

Strong and Well Established Brand in the Hospitality Industry, Backed by Service Excellence

We are one of the oldest hotel chains in India and the "*Taj*" is widely recognised as one of the most respected brands in the hotel industry. Our recently introduced brands, "*Vivanta by Taj*" and "*Gateway*", have also developed considerable brand recognition and are associated with good customer experience. Our hotels are renowned for their well-appointed properties, warm customer service and wholesome customer experience. Our competently trained, motivated and performance-oriented staff delivers high quality and personalised service to our customers. Our strong food and beverage capabilities, which are reflected through award-winning restaurants located in our hotels, such as Wasabi by Morimoto in Taj Mahal Palace Hotel, Mumbai and Varq in Taj Mahal Hotel, New Delhi and innovative initiatives, such as a micro-site and gallery to host unique sights and sounds of Coorg, enhance our customers' experience. Our hotels undertake innovative customer engagement activities on a regular basis and in the past, these have included (i) unique local experiences, such as nature trails and excursions, (ii) alternative dining experiences, (iii) themed parties for the guests, and (iv) integrated holiday programmes. We also operate spas in our hotels under the "*Jiva*" brand, which have carved a distinct brand image. Our spas are eco-sensitive and are based on India's ancient wellness heritage due to which they have developed customer appreciation and loyalty. We also believe that we derive significant reputational benefit as a result of being a Tata company.

Diverse and Expansive Location of our Hotel Properties, many of which are situated in Iconic Buildings

We believe that we have the largest number of hotels in India in the premium segment, i.e. luxury hotels, upper upscale hotels and upscale hotels. We believe that we have a distinct advantage over our competition in this respect, as achieving this scale of presence would require significant capital expenditure. Our hotels are also located in important international travel destinations, such as Dubai, Maldives, London, New York, Boston and Sydney. This provides us with the ability to tap international customers and cross-sell our hotels, including those located in India. Additionally, many of our hotels are housed in iconic or heritage buildings, such as Taj Mahal Palace, Mumbai and The Pierre, New York, and original royal palaces, which include Rambagh Palace, Jaipur, Ummaid Bhawan Palace, Jodhpur, Falaknuma Palace, Hyderabad and Taj Lake Palace, Udaipur. We believe that such iconic locations greatly enhance the attractiveness of our properties to prospective customers. Moreover, due to the location of our hotels in diverse geographic locations, which encompass beach resorts, hill stations, wildlife sanctuaries, major cities and tourist destinations, we have the ability to cater to the requirements of a broad customer segment. Some of the key destinations which provide us with this ability include:

Type of Destination	Location of Some of our Hotels
Beach Resorts	Goa, Kovalam, Bentota (Sri Lanka) and Maldives
Hill Stations	Ooty, Coorg, Srinagar and Thimpu
Wildlife Sanctuaries	Bandhavgarh, Kanha, Panna, Pench, Gir Forest and Sawai Madhopur
Major Cities	*Indian*: Bengaluru, Chennai, Mumbai, New Delhi, Hyderabad and Kolkata *International*: Boston, Cape Town, Colombo, Dubai, London, New York, San Francisco and Sydney
Tourist Destinations	Jaipur, Jodhpur, Khajuraho, Kumarakom, Varanasi, Langkawi (Malaysia) and Udaipur

Ability to Service Customers across a Broad Range of Pricing Spectrum

We have a presence across luxury, upper upscale, upscale and budget hotel segments. This provides us with the unique ability to service a diverse customer base as each of these segments caters to distinct price points and customer requirements. Our presence across the pricing spectrum provides us with the ability to cater to our customers' diverse requirements based on their respective purpose of visit and propensity to spend. Through our luxury hotels, which are operated under the "*Taj*" brand, we are able to cater to the requirements of high-paying customers, looking for very high quality and often personalised customer experience. The "*Vivanta by Taj*" brand, through which we operate or manage our upper upscale hotels, is focussed on cosmopolitan travellers seeking a reinvigorating hotel experience. The "*Gateway*" hotels of our Company cater to the upscale customer segment. These hotels are attuned to provide a wide range of services to meet peculiar requirements of customers, who are travelling for a mix of both work and leisure purposes. "*Ginger"* hotels, which are operated by a subsidiary of the Company - Roots Corporation Limited, are targeted towards budget travellers. Additionally, in some of the key Indian cities we operate hotels across all or most of these segments, which we believe is a strong competitive advantage. For example, in Bengaluru we operate hotels under the Taj, Vivanta by Taj, Gateway and Ginger brands. Similarly, in Mumbai metropolitan region, national capital region of Delhi, Chennai and Goa, we operate hotels under the Taj, Vivanta by Taj and Ginger brands. This allows us to offer our customers a wide bouquet of pricing options in each city, which is a unique capability and we believe it is unmatched by our competitors.

Strong Food and Beverage Capabilities

As of December 31, 2013, we operated approximately 300 restaurants in our hotels, offering a variety of cuisine, including ethnic Indian, Chinese, Japanese, Mediterranean and Italian. These include award winning restaurants, such as (i) Varq situated in Taj Mahal Hotel, New Delhi, (ii) Karavalli, situated in The Gateway Hotel, Bengaluru, and (iii) Wasabi by Morimoto situated in the Taj Mahal Palace, Mumbai. Some of the other well known restaurants operated by us include The Blue Ginger, The Orient Express, Masala Art, Masala Bay, Masala Kraft, House of Ming, Golden Dragon, The Zodiac Grill, Shamiana, La Patisserie and Maritime by San Lorenzo. Our restaurants not only cater to guests resident in our hotels, but also attract non-resident patrons. Apart from the restaurants, all our hotels also provide in-room dining services for our guests and operate speciality restaurants and bars, such as the Harbour Bar located in the Taj Mahal Palace, Mumbai. We believe that our restaurants have developed a strong brand image and customer loyalty due to high quality of food served by them and their ambience and decor. Our food and beverage capabilities are backed by experienced, well-qualified and renowned chefs employed by us. The food and beverage teams in our hotels partner with our chefs to utilise customer feedback for creating unique products and services, identifying new trends, and introducing innovative dining concepts and experiences.

Well Developed Sales and Marketing Infrastructure

We have a well trained sales and marketing team whose functions are divided into sales, marketing and customer relationship management. Due to well defined functions, our sales and marketing team provides significant impetus to our occupancy percentages. In addition to that, our evolved sales and marketing infrastructure reduces our reliance on external third parties and thereby enables us to develop sales and marketing initiatives that are tailored for our hotel properties and their locations. Our sales and marketing network also has an international presence, which provides it with the unique ability to cross-sell our domestic hotels to international travellers and vice-versa. We also have a comprehensive reservation network, which buttresses our marketing efforts. We have a worldwide reservation team, which is available 24x7 and is accessible through toll free numbers in various countries. Additionally, customers can also make reservations through reservation desks operated at each of our hotels, through global distribution systems for participating hotels (such as "Leading Hotels of the World"), our website (www.tajhotels.com) and online travel portals. All of these modes of reservation are seamlessly connected to a central reservation system which enables us to effectively manage our global inventory of rooms in real-time. The strength of our sales and marketing infrastructure is also reflected by our customer loyalty programmes - Taj Inner Circle and Taj Epicure. Taj Inner Circle was adjudged as the best loyalty programme at the Condé Nast Traveller India Reader's Choice Awards 2012 and best programme of the year for Middle East, Asia and Oceania at the Freddie Awards 2012.

Experienced Management Team and Customer Centric Employees

Our operations are managed by a team of experienced and professional managers with significant experience in the hospitality industry. We believe that our management team has been able to identify attractive opportunities which will, in conjunction with the management's operational expertise, continue to yield positive results for us. We also believe that our human resource development programmes, which include e-learning initiatives and leadership and talent development programmes have fostered an enviable workforce. We have also employed various integrated mechanisms to receive and evaluate customer feedback and utilize that to nurture customer centric employees.

Our Business Strategies

Strengthening our Leadership Position in India and Undertaking Strategic International Expansion

We endeavour to maintain our leadership position in India through continuously increasing our hotel properties. For our growth in India, we intend to increasingly focus on development of hotels under Vivanta by Taj, Gateway and Ginger brands to effectively tap the burgeoning upper middle class and middle class customer segments. We also propose to consistently invest in renovation and refurbishment of our hotels to ensure continued delivery of high quality of service and customer experience. Another key component of our strategy to strengthen leadership position is engaging with our customers for improving our services and ironing out any perceived deficiencies in service. We endeavour to achieve this objective by gathering customer feedback and using that for development of management plans, and undertaking process and product improvement including continuous innovation in customer engagement activities. We also continue to strive for business excellence and to achieve that we have adopted the Tata Business Excellence Model, which ensures our unremitting focus on climate change, innovation, corporate governance and safety. We believe that these are essential foundations for growth. We also intend to undertake selective expansion in strategic international locations. For example, we propose to launch a luxury hotel in Dubai with 300 rooms during the Financial Year 2015.

Achieving Further Expansion and Growth through Asset-Light Operations

We intend to achieve future expansion largely though operating and management contracts, lease arrangements or licensing arrangements, instead of ownership of hotel properties. This would enable our Company to efficiently utilise capital for achieving future growth. By adopting this expansion strategy, we can effectively increase our profits and expand our business without infusing substantial investment or undertaking significant capital expenditure. Even for the hotels operated through operating and management contracts, lease arrangements or licensing arrangements, we ensure that the high standards required for operating under the "*Taj*", "*Vivanta by Taj*" or "*Gateway*" brands are met. To achieve this for hotels under operating and management contracts, we provide consultancy services during the construction period. Additionally, we believe that apart from providing a better return on investment as compared to greenfield development of hotels, operating hotels for third parties also increases our operating experience in, and knowledge of, markets throughout India. This enhances our ability to identify and evaluate additional hotels for future development and negotiate transactions for the same more effectively.

Continuously Strive to Improve Operational Efficiencies

We seek to improve our operational efficiencies by implementing holistic management plans for our hotels. These include rationalizing sourcing costs, effective workforce management and efficient energy management. We try to achieve this by centralized planning of our sourcing requirements and uniformity in consumables utilized by the hotels within a particular strategic business segment, both of which enable us to negotiate competitive rates with our vendors. We also undertake local procurement of operating supplies and raw materials, which enables efficient logistics management and accordingly, reduced costs. We develop, wherever possible, long term relationships with our suppliers. This affords us with the advantage of seamless delivery of products, even in times or emergency, and feedback on emerging trends and new products. We continuously implement various energy management initiatives, such as independent audit of energy consumption and substitution of energy from non-renewable resources with that from renewable resources.

Focus on Marketing Initiatives and Customer Service for Improving Occupancy, ARR and RevPAR

We intend to improve occupancy, ARR and RevPAR by maintaining our high standards of service and quality and by enhancing the visibility of our brands through concerted marketing efforts. To attract customers, we also ensure the alignment of room types and tariffs to market demand. The tariffs at our hotels also vary according to seasonality and we offer special promotional packages during the lean season. For example, during monsoons, when some of our beach resort hotels witness tepid demand we offer special packages with reduced tariffs, extended stays or meal plans. We also utilise our guest loyalty programmes as a tool to achieve this strategy and believe that our Taj Inner Circle and Taj Epicure programmes have been effective in this respect. Our customer service initiatives are focussed on providing a unique experience, which is founded upon highest global hospitality benchmarks. We believe that this will enable us to enhance our brand image and encourage greater customer loyalty. We also undertake segmentation of our customers, which include corporate and leisure for rooms, and residential and no-residential for our food and beverage division. This enables us to ascertain customer requirements more accurately and tailor our services to provide our customers with an unforgettable experience.

Enhance the Brand Image of Our New Brands and Maximise Benefits Accruing from the "Taj" Brand

Our Vivanta by Taj, Gateway and Ginger brands have been introduced in the recent past. We intend to enhance their brand image by undertaking specifically tailored activities, such as music festivals and other ticketed events. In addition to that, we endeavour to provide consistency of service and facilities across each particular strategic business segment. We will also continue to focus on capitalising on the brand equity of the "*Taj*" brand by including it in promotional and marketing materials.

Our Business Operations

Operating Structure

We undertake our business through: (i) direct ownership of hotel properties, (ii) lease arrangements, (iii) licensing arrangements, and (iv) operating and management contracts.

Our hotels which are operated by us under the ownership model are located on freehold land owned by us. The land is either owned directly by the Company or by the Company's subsidiaries or jointly controlled entities. For such hotels the title to the buildings, and equipment and furniture or fixtures vests in us.

Some of our hotels are located on land which has been leased to us by governmental authorities or private parties. The term of such leases varies from 30 years to 99 years, which is typically renewable upon expiry for another term of equivalent period, subject to mutual agreement on the terms and conditions between us and the lessor. We own the building, and furniture or fixtures and are required to pay a specified lease rental for the duration of the lease deed.

We have also entered into licensing agreements to occupy and use buildings on a long-term basis for our operating our hotels. Such agreements have been entered into with various parties, including governmental or quasi-governmental authorities and are subject to payment of annual license fees, which may be subject to escalation after periodic intervals. Typically, we provide services in relation to planning, designing, construction and equipment of the hotel under these agreements and ownership of such hotels vests in the licensors at all times. While we retain control over the management and operations of such hotels and are entitled carry on the operation of the hotel in the manner that we deem fit, we may require consent of the owners for significant alterations to the physical structures of the hotels. All costs and expenses related to the operation of the hotel are borne by us and the property is required to be returned to the licensor in good condition upon expiry of the license period, which ranges from 30 to 90 years. But, we are entitled to take away all movable items if the licensor does not purchase them at a fair market value. Some of the licensee agreements provide for the first right of refusal in our favour if the licensor proposes to sell the hotel property.

Some of the hotels are operated and managed by us through operating and management contracts. In such cases, apart from operating and managing the hotels, we also provide advice regarding project and design related services at the construction stage through a separate technical services agreement. Operating and management contracts provide us with the absolute and sole discretion in the supervision of the operation of the hotel. Under these arrangements, we are entitled to basic management fee which is a fixed percentage of the gross income of the hotel and an incentive fee linked to the gross operating profit of the hotel. We may also receive marketing fee and project management fee under some of the operating and management contracts. The term of the operating and management agreements typically ranges from 15 to 20 years, but the parties are entitled to early termination, subject to a minimum lock-in period. Upon expiry of the initial term, these agreements are also typically renewable for the period of the initial term, subject to mutual agreement of terms and conditions between us and the owner.

Strategic brands

We operate and manage our hotels through four strategic brands namely, (i) Taj, which is our luxury brand, (ii) Vivanta by Taj, which is our upper upscale brand, (iii) The Gateway Hotels, which is our upscale brand, and (iv) Ginger Hotels, which caters to the budget travellers.

Our hotels under the Taj brand are located in all metropolitan cities in India, including Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, and New Delhi, and some international destinations, which include Boston, Colombo, Dubai, London, Maldives, and New York. Our luxury hotels, including our flagship hotel - the Taj Mahal Palace, Mumbai, primarily cater to foreign and domestic high-end leisure travellers, looking for very high quality and often personalised customer experience. We also operate four lodges under this strategic business segment. These wildlife lodges are located at Bandhavgarh, Pench, Panna and Kanha national parks in the state of Madhya Pradesh.

Our hotels under the Vivanta by Taj brand cater to cosmopolitan travellers seeking a reinvigorating contemporary and creative hospitality experience. The hotels under this brand segment are designed to provide customers with a complete travel experience, irrespective of the location and for achieving this, offer curated and handpicked activities that are cued around the property and its location. For example, Vivanta by Taj – Madikeri, Coorg offers bird sighting excursions with a noted ornithologist.

The Gateway is our upscale brand designed to offer business and leisure travellers with consistent quality in service and style. A typical Gateway hotel is designed into seven simple zones catering to distinct requirements of our customers, including those for work and leisure. The customer engagement initiatives of these hotels are also designed to achieve that objective. An example of a unique customer engagement initiative undertaken by the Gateway Hotels is the food campaign focussed on whole grains, and refined starch free, high fibre food products.

Our Ginger brand of hotels is intended to cater to the budget travellers and has witnessed an increase in corporate business travellers in the recent years. All the Ginger hotels are operated by Roots Corporation Limited, a wholly-owned subsidiary of the Company.

Other Businesses

Food and Beverage Business

Our food and beverage business made significant contributions to our revenue for the Financial Year 2013. These revenues are relatively less cyclical as they are also dependent on non-hotel resident clientele. We believe that the food and beverage business helps us to enhance our brand visibility and we plan to continue focussing on providing innovative and authentic cuisine and launching further food and beverage outlets.

Air Catering Business

We undertake air catering business through our subsidiary, Taj SATS Air Catering Limited. Our flight kitchens are located at Amritsar, Bengaluru, Delhi, Goa, Kolkata and Mumbai. During the Financial Year 2013, our subsidiary, Taj SATS Air Catering Limited, generated revenue of ₹ 228.88 crores and loss after tax of ₹ 0.75 crores. We focus on supply to domestic customers. We have won awards for Inflight Kitchen of the Year, Delhi in 2012 and Inflight Caterer of the Year, Delhi 2013.

Pricing

Our pricing policy is based on anticipated demand and other factors such as market conditions, inflation, competition and the global economy. In addition to rack rates, we also offer discounted public rates, corporate negotiated rates and travel trade rates to individuals, domestic and international corporations, and tour operators and travel agents, respectively. Our contracted rates are negotiated on an annual basis and could be seasonal for leisure business. We also have discounted public rates, which include variable packages and rates and seasonal discounts.

Our corporate sales department is primarily responsible for formulation of our pricing strategy and policies for all our hotels. It functions through various sub-groups such as national accounts, international travel and trade, meetings, conferences and incentives, commercial sales and revenue management. We also utilise revenue management software to assist us in determining pricing at different hotels at different times.

We also extend credit to corporations, tour operators, travel agents, conference organisers and individuals based on their profiles and records of payment.

Sales and Marketing

Our sales and marketing functions are classified into three broad categories viz. (i) sales, (ii) marketing, and (iii) customer relationship management ("**CRM**"). Through our sales and marketing initiatives, we seek to achieve promotion of our brands, integration of newly acquired hotels and increase in RevPAR by increasing average room rate and occupancy levels. We also endeavour to forge enhanced and deeper customer engagement through relationship groups and effective utilisation of CRM tools.

Sales

Our national accounts team caters to top customer accounts and has a dedicated relationship team serving as a single point of contact with our key customers. Our international travel and trade department located in Mumbai is responsible for driving leisure business into our hotels, by targeting various segments such as corporates, individuals, associations, travel agents and tour operators.

Our hotels located in metropolitan cities and tier two cities in India are supported by our commercial sales department. Internationally, we have established sales offices in various geographies including New York, Los Angeles, San Francisco, London, Dubai, Singapore and Sydney and appointed public relation agencies in various countries such as the United States of America, the United Kingdom, France, Germany and Italy, to develop business for all our hotels. Our global distribution systems and electronic marketing systems handle relationships with travel consortiums and marketing of campaigns on global distribution networks.

Our key hotels are also members of the Leading Hotels of the World association which assists us in market penetration.

Marketing

Our corporate marketing department is primarily responsible for advertising and promotion of our hotels in India and overseas, publication of promotional magazines and strategic publicity. The marketing department is responsible for creating and releasing advertisements in print and electronic media, for advertising visuals of various products and services at the hotels and for the production of hotel brochures, directories and other communication materials. Our corporate marketing department provides support to launch of new hotels through media planning, marketing campaigns and promotions across national in-flight magazines, press, hoardings and radio.

We also engage in various marketing initiatives. For example, we have recently launched a movement celebrating artists who have left an indelible mark on our culture. We have also started a music concert series and ticketed festivals at our Vivanta by Taj and Gateway hotels, which have been promoted though an extensive marketing campaign across traditional and social media. We have also re-launched some of our previously successful initiatives to drive incremental suite sales and revenues across our luxury hotels. In continuation with our brand architecture initiative, we launched a brand book as well as a coffee table book aimed towards our customers. In addition, we have undertaken strategic initiatives towards the luxury wedding segment in India through our 'Timeless Weddings at Taj' initiative. We continue to focus on marketing of our resort destinations for domestic travellers through our Taj Holidays platform. In this regard, we have commissioned a holiday destination series on a major travel and lifestyle television network for our hotels.

Our loyalty programmes consist of Taj Inner Circle and Epicure, with Taj Inner Circle being our most popular frequent-guest programme. The programme entitles members to various redemption benefits for points accumulated by their stay and meals at our hotels in India and abroad. We also manage strategic marketing alliances with various partners. These alliances provide opportunities to communicate special offers and exclusive gift cards to members and assist us in driving business into our hotels.

Awards

Our hotels have been awarded several significant hospitality industry awards in India and internationally, including:

- Company was conferred the Gallup Global Great Workplace Award for the year 2013.
- Company was conferred JRD Tata Quality Value Award for adoption of the Tata Business Excellence Model.

Taj Hotels Resorts & Palaces

- The Taj Hotels, Resorts and Palaces Group was adjudged as the Frontrunner in the Breakaway Brand Category according to Young & Rubicam's Annual Brand Study – Brand Asset Valuator (BAV), 2014.
- The Taj Group of Hotels was conferred the Conde Nast Traveler USA World Savers Award 2013 for Poverty Relief.
- Taj Hotels Resorts and Palaces was adjudged as the Best Hotel Group in India at the Travel + Leisure India's Best Awards 2013.
- Taj Inner Circle was conferred the award for Favourite Hotel Loyalty Programme at the Conde Nast Traveller India Readers' Travel Awards 2013.
- Taj Hotels Resorts & Palaces was conferred the award for Best Hotel Chain in India at the UK Business Traveller Awards 2013.

The Taj Mahal Palace, Mumbai

- Wasabi by Morimoto, a restaurant at Taj Mahal Palace, Mumbai, ranked 36th on the San Pellegriino's list of '50 Best Restaurants in Asia'.
- Taj Mahal Palace, Mumbai featured on the Travel + Leisure Top 500 World's Best Awards survey.
- The Taj Mahal Palace, Mumbai was adjudged as one of the best ranked properties in the world by Conde Nast Traveler USA Gold List 2014.
- The Taj Mahal Palace, Mumbai on the list of "Top City Hotels in Asia" in the Travel + Leisure World's Best Awards 2013.

Taj Palace Hotel, New Delhi

- Taj Palace Hotel, New Delhi was adjudged the "World's Best Business Hotels" by Travel + Leisure USA in 2013.

Taj Mahal Hotel, New Delhi

- Varq, a restaurant at Taj Mahal Hotel, Delhi's ranked 32nd on the San Pellegrino's list of '50 Best Restaurants in Asia' in 2014.
- Taj Mahal Hotel, New Delhi featured on the list of Travel + Leisure Top 500 World's Best Awards in 2013.

The Pierre, A Taj Hotel, New York

The Pierre, A Taj Hotel, New York featured on the 'Forbes Travel Guide Star Rating' list and was adjudged as a new Forbes Travel Guide Five-Star hotel by Forbes Travel Guide in 2014.

Taj Boston

- Taj Boston was named among the "World's Best Business Hotels" by Travel + Leisure's 'Worlds Best Survey' readers in 2013.
- Taj Boston featured in the list of "Top Large City Hotels in Continental US" by Travel + Leisure in 2013.

51 Buckingham Gate, London

51 Buckingham Gate's Cinema Suite has been conferred with the title of one of the "Best on the Planet" in Elite Traveler's Top 101 Suites of the World list of 2013.

Vivanta by Taj, Madikeri, Coorg

Vivanta by Taj, Madikeri, Coorg, has been awarded the 3rd position in the list of the World's Best Hotels at the 16th Annual Business Travel Awards, 2013 by Conde Nast Traveler US.

Competition

Our hotels operate in a highly competitive environment. Competition is primarily based on room rates, quality of accommodations, service level, location and quality of amenities. In addition to the presence of national brands, a number of international brands have also increased their presence in the Indian market in recent years.

Whilst some of these hotels may have certain competitive advantages over us due to greater brand awareness, global spread of operations and distribution networks, we believe our hotels have a better ability to leverage their location and quality of services. We also believe that our familiarity with the complex governmental approval process associated with development of new hotels in India gives us a competitive advantage over new entrants in the Indian market.

Intellectual Property

We believe that trademarks and service marks are important assets to our business. We have obtained more than 100 trademark registrations and service mark registrations for our brands, including 'Taj', 'Taj Lands End Mumbai', 'Souk', 'Wasabi' and 'Vivanta by Taj' under several classes of the Trade Marks Act, 1999.

We have also made more than 50 applications, which are currently pending, with respect to trademarks and service marks including 'Epicure', 'Taj Mahal Palace & Tower Mumbai', 'Gateway Hotel' and 'Taj Inner Circle Rewards And Privileges'.

Employees

Certain categories of our employees are represented by trade unions. However, we maintain cordial relationship with our employees and during the nine month period ended December 31, 2013, none of our hotels had faced strikes or other industrial disputes. We provide our employees with various benefits, which include medical reimbursements and loans commensurate with an employee's designation. The Company has been awarded the Gallup Great Workplace Award for the fourth time in succession in 2013 for creating a highly engaged workplace culture.

Training

We promote e-learning and distance learning for our managers through our partnerships with leading learning content providers. We have also launched multi-tiered Leadership Development programmes for certain category of our employees.

Corporate Social Responsibility

Corporate social responsibility is an important component of our operating philosophy. We believe that the benefits that we derive from operating in geographically and culturally diverse locations should also benefit the local communities. To achieve this we partner with both the local communities and national level governmental initiatives for development of underprivileged communities through, amongst others, skill training for trades involved in hotel operations.

We also partner with small scale entrepreneurs, women's self-help groups non-governmental organizations to source select goods and services, such as fresh food materials, housekeeping related consumables, candles, gift items for guests, dry snacks, and pickles. We also constantly work towards facilitating awareness and revival of indigenous arts and provide platform for (i) exhibition and sale of artifacts, and (ii) performances by local artisans and culture troupes.

Information Technology

We have entered into arrangements for outsourcing our information technology needs in order keep pace with technological advances and adopt the industry best practices and standards in terms of technology for our operations and management. This arrangement will broadly cover services such as infrastructure support, application support and technology advisory. We aim to address our evolving business needs for the purpose of growth of our business facilitating consistent and integrated approach across various geographies in which we operate.

OUR MANAGEMENT

Board of Directors

The Company's Articles of Association provides that the minimum number of Directors shall be four and the maximum number of Directors shall be 18. As of the date of this Draft Letter of Offer, the Company has 12 Directors, of which eight Directors are Non-Executive Directors and six of whom are Independent Directors.

Not less than two-thirds of the total number of Directors shall be elected Directors who are liable to retire by rotation. At the Company's AGM, one-third of the Directors for the time being who are liable to retire by rotation shall retire from office. A retiring director is eligible for re-election. The quorum for meetings of the Board of Directors is one-third of the total number of Directors, or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors present at the meeting, being not less than two, shall be the quorum.

The Directors of the Company are not required to hold any Equity Shares to qualify to be a Director.

The following table sets forth details regarding the Board of Directors of the Company as of the date of filing this Draft Letter of Offer:

Name, Designation, Term, DIN, Occupation, and Address	Age (in years)	Other Directorships/ Interests/ Trusteeships
Cyrus P. Mistry ***Designation***: Chairman ***Term****:* Liable to retire by rotation ***DIN****:* 00010178 ***Occupation****:* Company Director ***Address***: Sterling Bay 103, Walkeshwar Road, Walkeshwar, Mumbai 400 006	45	***Other Directorships*** 1. Cyrus Investments Private Limited 2. Imperial College India Foundation 3. Jaguar Land Rover Automotive Plc 4. Sterling Investment Corporation Private Limited 5. Tata AG, Zug 6. Tata America International Corporation 7. Tata Chemicals Limited 8. Tata Consultancy Services Limited 9. Tata Enterprises (Overseas) AG, Zug 10. Tata Global Beverages Limited 11. Tata Industries Limited 12. Tata International AG, Zug 13. Tata Limited 14. Tata Motors Limited 15. Tata Sons Limited 16. Tata Steel Limited 17. The Tata Power Company Limited 18. Tata Teleservices Limited

Name, Designation, Term, DIN, Occupation, and Address	Age (in years)	Other Directorships/ Interests/ Trusteeships
		Trusteeships 19. Taj Public Service Welfare Trust
Raymond N. Bickson ***Designation***: Managing Director ***Term****:* Period of five years from July 19, 2013 to July 18, 2018 ***DIN****:* 00050664 ***Occupation****:* Managing Director ***Address***: Flat No. 10, Fourth Floor, Sea-Land Apartment, Cuffe Parade, Mumbai 400 005	58	***Other Directorships*** 1. Benaras Hotels Limited 2. Good Hope Palace Hotels Private Limited 3. Green Woods Palaces and Resorts Private Limited 4. GVK Emergency and Research Management Institute 5. Hotel Association of India 6. Institute of Hotel Management - Aurangabad 7. OHL International Hotels (HK) Limited 8. Oriental Hotels Limited 9. Piem Hotels Limited 10. Roots Corporation Limited 11. St. James Courts Hotels Limited 12. Taj GVK Hotels & Resorts Limited 13. Taj International Hotels (HK) Limited 14. Taj International Hotels (UK) Limited 15. Taj Safaris Limited 16. Taj SATS Air Catering Limited 17. Taj Trade and Transport Company Limited 18. TAL Hotels and Resorts Limited 19. TAL Lanka Hotels Plc 20. Tal Maldives Resorts Private Limited 21. United Hotels Limited ***Trusteeships*** 22. Trustees of the Culinary Institute of America 23. Taj Public Service Welfare Trust
K. B. Dadiseth ***Designation***: Independent and Non-Executive Director	68	***Other Directorships*** 1. Britannia Industries Limited

Name, Designation, Term, DIN, Occupation, and Address	Age (in years)	Other Directorships/ Interests/ Trusteeships
Term: Liable to retire by rotation ***DIN***: 00052165 ***Occupation***: Non-executive director and chairman of several public, private advisory boards ***Address***: 8-A, Maneck, L.D. Ruparel Marg, Malabar Hill, Mumbai 400 006		2. Godrej Properties Limited 3. ICICI Prudential Life Insurance Company Limited 4. ICICI Prudential Trust Limited 5. JM Financial Limited 6. JM Financial Services Limited 7. Omnicom India Marketing Advisory Services Private Limited 8. Piramal Enterprises Limited (previously Piramal Healthcare Limited) 9. Siemens Limited ***Trusteeships and Non-Corporates*** 10. Bai Hirabai J. N. Tata Navsari Charitable Institution 11. Breach Candy Hospital Trust 12. Indian School of Business 13. Sir Ratan Tata Trust 14. The B.D. Peitit Parsee General Hospital ***International and Others*** 16. Accenture Services Private Limited 17. Atos India Private Limited 18. Fleishman-Hillard Inc. 19. India Infoline Group 20. Marsh & McLennan Companies Inc., India 21. PwC - PricewaterhouseCoopers Private Limited 22. Prudential Asia Corporation 23. World Gold Council

Name, Designation, Term, DIN, Occupation, and Address	Age (in years)	Other Directorships/ Interests/ Trusteeships
Deepak Parekh ***Designation***: Independent and Non-Executive Director ***Term**:* Liable to retire by rotation ***DIN**:* 00009078 ***Occupation**:* Non-executive chairman, Housing Development Finance Corporation Limited ***Address***: HUL House, 165-166, Backbay Reclamation, H T Parekh Marg, Churchgate, Mumbai 400 020	69	***Other Directorships*** 1. DP World, Dubai 2. Exide Industries Limited – Alternate Director 3. GlaxoSmithKline Pharmaceuticals Limited 4. HDFC Asset Management Company Limited 5. HDFC Ergo General Insurance Company Limited 6. HDFC Standard Life Insurance Company Limited 7. Housing Development Finance Corporation Limited 8. Mahindra & Mahindra Limited 9. Siemens Limited 10. Vedanta Resources Plc, London 11. Zodiac Clothing Company Limited ***Other Interests*** 12. H.T. Parekh Foundation 13. Indian Institute of Human Settlements
Jagdish Capoor ***Designation***: Independent and Non-Executive Director ***Term**:* Liable to retire by rotation ***DIN**:* 00002516 ***Occupation**:* Professional ***Address***: 1601, Brooke Ville, 359 Mogul Lane, Mahim (West), Mumbai 400 016	74*	***Other Directorships*** 1. Assets Care and Reconstruction Enterprise Limited 2. Atlas Documentary Facilitators Co. Private Limited 3. Banyan Tree Bank Limited, Mauritius 4. Entegra Limited 5. HDFC Securities Limited 6. LIC Pension Fund Limited 7. LIC Housing Finance Limited 8. LICHFL Trustee Company Private Limited 9. Manappuram Finance Limited 10. Nitesh Estates Limited 11. Quantum Trustee Company Private Limited 12. Vikas GlobalOne Limited

Name, Designation, Term, DIN, Occupation, and Address	Age (in years)	Other Directorships/ Interests/ Trusteeships
		Other Interests 13. Indian Institute of Management, Indore
Shapoor Mistry ***Designation***: Non-Executive Director ***Term****:* Liable to retire by rotation ***DIN****:* 00010114 ***Occupation****:* Industrialist ***Address***: Sterling Bay, 103, Walkeshwar Road, Mumbai 400 006	49	***Other Directorships*** 1. Afcons Infrastructure Limited 2. Cyrus Investments Private Limited 3. Eureka Forbes Limited 4. Forbes & Co. Limited 5. Forvol International Services Limited 6. Gokak Power & Energy Limited 7. Gokak Textiles Limited 8. Pallonji Shapoorji & Company Private Limited 9. Samalpatti Power Company Private Limited 10. Shapoorji Pallonji and Company Limited 11. Shapoorji Pallonji Finance Limited 12. Shapoorji Pallonji Infrastructure Capital Co. Limited 13. Shapoorji Pallonji Power Co. Limited 14. Sovereign Pharma Private Limited 15. Sovereignty Pharma Private Limited 16. S. P. Oil Exp-loration Private Limited 17. Sterling Investment Corporation Private Limited ***Trusteeships*** 18. Dadysett Charity Trust 19. Manockjee Cowasjee Petit Charities 20. Masina Hospital 21. National Institute of Construction Management and Research
Nadir Godrej ***Designation***: Independent and Non-Executive Director ***Term****:* Liable to retire by rotation	63	***Other Directorships*** 1. ACI Godrej Agrovet Private Limited, Bangladesh 2. Godrej And Boyce Manufacturing Company

Name, Designation, Term, DIN, Occupation, and Address	Age (in years)	Other Directorships/ Interests/ Trusteeships
DIN**:* 00066195 ***Occupation**:* Service ***Address: 40-D, B. G. Kher Marg, Malabar Hill, Mumbai 400 006		Limited 3. Godrej Agrovet Limited 4. Godrej Consumer Products Limited 5. Godrej Consumer Products (UK) Limited 6. Godrej Global Mid East FZE 7. Godrej Industries Limited 8. Godrej International Limited 9. Godrej Nigeria Limited 10. Godrej Properties Limited 11. Godrej South Africa Limited 12. Godrej Tyson Foods Limited 13. Isprava Technologies Limited 14. Mahindra & Mahindra Limited 15. Tata Teleservices (Maharashtra) Limited ***Other Interests*** 16. ABG Venture LLP 17. NGB Enterprise LLP 18. Poultry Processors Association of India
Ireena Vittal ***Designation***: Independent and Non-Executive Director ***Term**:* Liable to retire by rotation ***DIN**:* 05195656 ***Occupation**:* Strategic Advisor ***Address***: A2, 1202, World Spa East, Sector 30, Gurgaon	45	***Other Directorships*** 1. Axis Bank Limited 2. Glaxosmithkline Consumer Healthcare Limited 3. Godrej Consumer Products Limited 4. Titan Company Limited 5. Tata Global Beverages Limited 6. Wipro Limited
Guy Lindsay Macintyre Crawford ***Designation***: Independent and Non-Executive Director ***Term**:* Liable to retire by rotation ***DIN**:* 06558172 ***Occupation**:* Vineyard owner and	61	Nil

Name, Designation, Term, DIN, Occupation, and Address	Age (in years)	Other Directorships/ Interests/ Trusteeships
professional ***Address***: 12, Route de Meulieres, La Liviniere, France 34210		
Anil P. Goel ***Designation***: Executive Director - Finance ***Term****:* Period of three years from March 17, 2013 to March 16, 2016 ***DIN****:* 00050690 ***Occupation****:* Service ***Address***: 93 A, Maker Tower, 9th floor, Cuffe Parade, Mumbai 400 005	56	***Other Directorships*** 1. Bjets Pte Limited 2. IHMS (SA) (Proprietary) Ltd 3. International Hotels Management Services Inc. 4. Kaveri Retreats and Resorts Limited 5. Lanka Island Resort Limited 6. OHL International (HK) Limited 7. Oriental Hotels Limited 8. Piem Hotels Limited 9. Piem International (HK) Limited 10. Roots Corporation Limited 11. Samsara Properties Limited 12. St. James Court Hotel Limited 13. Taj GVK Hotels and Resorts Limited 14. Taj Internationals Hotels (HK) Limited 15. Taj International Hotels Limited 16. Taj Kerala Hotels and Resorts Limited 17. Taj SATS Air Catering Limited 18. TAL Hotels and Resorts Limited 19. TAL Lanka Island Hotels PLC 20. TIFCO Holdings Limited ***Trusteeships*** 21. Taj Public Service Welfare Trust
Abhijit Mukerji ***Designation***: Executive Director Hotel Operations ***Term****:* Period of three years from March 17, 2013 to March 16, 2016	51	***Other Directorships*** 1. ELEL Hotels & Investments Limited 2. Kaveri Retreats and Resorts Limited 3. PIEM Hotels Limited

Name, Designation, Term, DIN, Occupation, and Address	Age (in years)	Other Directorships/ Interests/ Trusteeships
DIN**:* 00565023 ***Occupation**:* Service ***Address: 252, Jupiter Apartments, Cuffe Parade, Mumbai 400 005		4. TRIL Infopark Limited 5. United Hotels Limited ***Trusteeships*** 6. Taj Public Service Welfare Trust ***Other interests*** 7. The Institute of Hotel Management, Aurangabad
Mehernosh S. Kapadia ***Designation***: Executive Director - Corporate Affairs ***Term**:* Period of five years with effect from August 10, 2011 to August 9, 2016 ***DIN**:* 00050530 ***Occupation**:* Service ***Address***: 29, Woodhouse Apartment, 1st Floor, Woodhouse Road, Colaba, Mumbai 400 001	60	***Other Directorships*** 1. Bjets Pte. Limited 2. Business Jets India Private Limited 3. Business Jets Pte Limited 4. Ewart Investments Limited 5. Taj Air Limited 6. Taj Air Metrojet Aviation Limited 7. Taj SATS Air Catering Limited 8. The Associated Building Company Limited 9. Tata Realty and Infrastructure Limited

**To retire on June 30, 2014*

Relationship between the Directors

The details of relationship between the Directors of the Company are as follows:

S. No	Name of Director	Related to	Nature of Relationship
1.	Cyrus P. Mistry	Shapoor Mistry	Brother
2.	Shapoor Mistry	Cyrus P. Mistry	Brother

Brief Biographies

Cyrus P. Mistry is the Non-Executive Chairman of the Company. He was appointed as an additional Director and Non-Executive Chairman of the Company with effect from December 28, 2012. He holds a Bachelor's degree in Civil Engineering from the Imperial College of Science, Technology and Medicine, UK, a Master of Science degree in Management from the London Business School and he is a Fellow of the Institution of Civil Engineers. He has over 23 years of experience in real estate construction and investments industries. He is presently the chairman of Tata Sons Limited. He has previously worked with Shapoorji Pallonji Group as the managing director and was also on the board of the Construction Federation of India, Imperial College Advisory Board and National Institute of Construction Management and Research.

Raymond N. Bickson is the Managing Director and Chief Executive Officer of the Company. He was appointed as an Executive Director of the Company on January 9, 2003 and was re-appointed as the Managing Director of the Company with effect from July 19, 2013 for a period of five years till present. He holds a degree in Deutsche Sprachkurse from the Goethe Institute in Berlin, a degree in Cours de civilisation francaise et langues from the

Alliance Francaise in Paris, a degree in Cours de civilisation francaise et langues from the Université de Sorbonne in Paris, a diploma de commerce et des langues from École Lemania - Lausanne a degree in Production and Service from École Hôtelière Lausanne, and a degree in Financial Management and Front Office Management from Cornell University in New York. He has obtained his high school diploma from St. Louis School, Honolulu, Hawaii, USA. He has over 37 years of experience in the hospitality industry. He has previously worked with The Mark, New York as a general manager and vice president for 15 years. He is presently a member of various committees including Rotary International, SKAL International, Confrerie de la Chaine des Rotisseurs, Chaine des Rotisseurs, L'Ordre Mondial du Vin, Les Amis d'Escoffier, Society of New York Inc., American Institute of Wine & Food, Hotel Executives Club of New York, The Order of The Knights of The Vine, Confrerie des Chevaliers du Tastevin and Ecole Hotelier Lausanne de la Societe Suisse des hoteliers International Advisor Board, Switzerland. He is also on the board of trustees of The Culinary Institute of America, chairman of World Trade Travel and Tourism Council, president of the Hotel Association of India, Chairman of the Experience India Society, director of Industry Real Estate Finance advisory Council, director of the Executive Committee of the Leading Hotels of the World and director on the International Advisory Board of Ecole Hotelier Lausanne.

K.B. Dadiseth is an Independent Director of the Company. He was appointed as a Director of the Company on May 9, 2000. He holds a Bachelor's degree in Commerce from Sydenham College, Mumbai and is admitted as an Associate and is a Fellow of the Member of the Institute of Chartered Accountants, England and Wales. He has over 40 years of experience in general management and finance. After retiring as a whole-time director from Unilever Plc and Unilever NV in UK and Holland respectively, he currently holds directorship of several public limited companies and is on several advisory boards. He is the convening chairman of Marsh & McLennan companies in India and a non-executive chairman of Omnicom.

Deepak Parekh is an Independent Director of the Company. He was appointed as a Director of the Company on May 9, 2000. He holds a Bachelor's degree in Commerce from the Bombay University and is an Associate of the Institute of Chartered Accountants, England and Wales. He has over 44 years of experience in banking and finance industry. He is presently the non-executive chairman with Housing Development and Finance Corporation Limited ("**HDFC**"). He has previously worked with HDFC as its chairman.

Jagdish Capoor is an Independent Director of the Company. He was appointed as a Director of the Company on July 27, 2001. He holds a Bachelor's degree and a Master's degree in Commerce from the University of Agra and is a Fellow of the Indian Institute of Banking and Finance. He has over 52 years of experience in banking and finance industry. He has previously worked with the RBI as the Deputy Governor and with HDFC Bank Limited as its chairman.

Shapoor Mistry is a Non-Executive Director of the Company. He was appointed as a Director of the Company on April 17, 2003. He holds a Bachelor's degree in Business Administration and Economics from Richmond College, London, England. He has over 27 years of experience in the field of management. Besides being on the board of several companies, he is the non-executive chairman of Shapoorji Pallonji & Company Limited and trustee of Masina Hospital and of National Institute of Construction Management and Research.

Nadir Godrej is an Independent Director of the Company. He was appointed as a Director of the Company on November 7, 2008. He holds a Bachelor's degree of Science (Chemical Engineering) from Massachusetts Institute of Technology, a Master's degree in Chemical Engineering from Stanford University and a Master's degree in Business Administration from Harvard Business School. He has over 38 years of experience in the chemicals and agribusiness industry. He is presently the managing director of Godrej Industries Limited and chairman of Godrej Agrovet Limited. Further, he is a member of various committees of the Confederation of Indian Industries, a member of the board of trustees and various committees at the Foundation for Medical Research. Currently, he is also the chairman of the CII National Committee on Chemicals and the president of Alliance Francaise De Bombay. He has previously worked with Godrej Soaps Limited and Gujarat-Godrej Innovative Chemicals Limited as director and managing director, respectively.

Guy Lindsay Macintyre Crawford is an Independent Director of the Company. He was appointed as the additional Director of the Company with effect from March 27, 2013. He completed a formal management training program with British Transport Hotels in 1975 and has a National Examination Board in Supervisory Studies from Westminister Hotel School, London. He went to Morrisons Academy for Boys, Crieff, Perthshire. He completed a financial and marketing module as a part of the management trainee program at Surrey University. He has over 30 years of experience in the international hospitality industry. He is on the international advisory board of Strathclyde Business School, Glasgow University and presently, a non-executive director of several private companies. He has previously worked with the Jumeirah Group, UAE as its chief executive officer, the Macdonald Hotels plc, UK and the Forte Hotel Group as its managing director and the British Transport Hotels Limited as its manager. He has also been elected as a Fellow of the Institute of Hospitality.

Ireena Vittal is an Independent Director of the Company. She was appointed as a Director with effect from August 7, 2013. She holds a Master's degree in Business Administration from the Indian Institute of Management, Calcutta. She has over 24 years of experience in the corporate world across multiple industries. She is presently a board member of companies including Axis Bank Limited, Glaxosmithkline Consumer Healthcare Limited, Godrej Consumer Products Limited and Titan Company Limited. She has previously worked with McKinsey & Co. as a partner.

Anil P. Goel is a Whole-time Director designated as the Executive Director - Finance of the Company. He was appointed as a Director of the Company on March 17, 2008 and was re-appointed for a period of three years with effect from March 17, 2013. He holds a Bachelor's degree in Commerce from Shri Ram College of Commerce, New Delhi and is an Associate Chartered Accountant from the Institute of Chartered Accountants of India. He has over 33 years of experience in the finance field. He has previously worked with Tata Global Beverages Limited (erstwhile Tata Tea Limited) in various capacities and was the chief financial officer of the company. He is presently also a director on the board of several Taj Group companies and oversees the finance, tax, mergers and acquisitions, central materials and legal and secretarial functions.

Abhijit Mukerji is a Whole-time Director designated as the Executive Director - Hotel Operations of the Company. He was appointed as a Director of the Company on March 17, 2008 and is re-appointed for a period of three years with effect from March 17, 2013. He has completed the graduate course of study in hotel administration from the Institut De Management Hotelier International founded and administered jointly by the Cornell University School of Hotel Administration and the Ecole Superieure des Science Economiques et Commerciales France (CORNELL ESSEC), and has completed a General Management Program from the Harvard Business School. He has completed a diploma in hotel management from the Institute of Hotel Management, Pusa, New Delhi. Further, Mr. Mukerji is a certified hotel administrator from the Educational Institute of the American Hotel and Motel Association. He has over 29 years of experience in the hospitality industry.

Mehernosh S. Kapadia is a Whole-time Director and Executive Director - Corporate Affairs of the Company. He was appointed as a Director of the Company for a period of five years with effect from August 10, 2011. He has completed a Diploma in Travel Management from Mumbai University. He has over 31 years of experience in handling various issues with the Central and State Governments and Municipal authorities and has served in various managerial positions in the Taj Group hotels. He is currently the chairman of Taj Air Limited, the vice-chairman of Taj SATS Air Catering Limited and a director on the board of several companies of the Tata group.

Service agreements with the Directors

No service contracts have been entered into by the Directors with the Company providing for benefits upon termination of employment. Additionally, the Company has a scheme for special retirement benefits for its Managing and Executive Directors.

As of the date of this Draft Letter of Offer, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which the Company has appointed a director or a member of the senior management.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE INDIAN HOTELS COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of The Indian Hotels Company Limited (the "Company") which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the "Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to footnote (iii) to Note 15 to the financial statements which describes the uncertainty related to the carrying value of investments in Orient Express Hotels Limited. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the "Order") issued by the Central

Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act.

(e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

For PKF SRIDHAR & SANTHANAM
Chartered Accountants
(Registration No. 003990S)

S. Ramakrishnan
Partner
(Membership No. 18967)

MUMBAI, 30th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business / activities clauses (viii), (xiii), (xiv), (xviii) and (xx) of paragraph 4 of CARO are not applicable to the Company.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) In our opinion, the fixed assets disposed off during the year, do not constitute a substantial part of the fixed assets of the Company and such disposal has not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) According to the information and explanations given to us, the Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transactions is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

(vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public. According to information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(viii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the

Company and the nature of its business.

(ix) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax. Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Excise duty and Service Tax which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Name of Statute	Nature of Dues	₹ crores	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 and Sales Tax / Value Added Tax Act of various states	Sales Tax	0.02	Financial years 2008-09 and 2009-10	Additional Commercial Tax Officer, Panaji, Goa
		0.80	Financial years 1994-1995, 1995-1996, 1997-1998, 2005-2006	Appellate Board
		0.06	Financial year 2003-2004	Appellate Deputy Commissioner
		0.85	Financial year 2004-2005 to 2009-2010	Deputy Commissioner of Commercial Taxes
		0.08	Financial year 2003-2005	Joint Commissioner of Sales Tax
		4.90	Financial year 1999-2005	Joint Commissioner of Sales Tax (Appeal)
		0.31	Financial years 1992-93, 1993-94 and 1997-98	Tribunal
		0.07	Financial years 2000-2001 and 2002-2003	Assistant commissioner
Finance Act, 1994	Central Excise	0.28	Financial year 2006-10	Commissioner of Central Excise
Finance Act, 1994 and Service Tax Laws	Service Tax	12.32	Financial year 2006-07 to 2010-11	CESTAT
		1.61	Financial years 2002 to 2011	Custom Excise and Service Tax Appellate Tribunal
		0.14	Financial years 2002 to 2007	Assistant commissioner of Service Tax (Appeals)
		0.59	Financial years 2003-2006 and 2011-2012	Joint Commissioner of Service Tax
Income Tax Act, 1961	Income Tax	0.31	Financial years 2005-06 to 2007-2008	Commissioner of Income Tax (Appeals), Panaji, Goa

(x) The Company does not have accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.

(xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are prima facie, not prejudicial to the interests of the Company.

(xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, there is a temporary usage of short-term funds for long-term investment to the extent of ₹ 331.97 crores.

(xvi) According to the information and explanations given to us and the records examined by us, unsecured debentures of ₹ 200.00 crores are issued during the year. Accordingly, the Company has not created any security in respect of debentures issued.

(xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

For PKF SRIDHAR & SANTHANAM
Chartered Accountants
(Registration No. 003990S)

S. Ramakrishnan
Partner
(Membership No. 18967)

MUMBAI, 30th May, 2013

AUDITED STANDALONE BALANCE SHEET AS AT MARCH 31, 2013

	Note	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	**80.75**	75.95
Reserves and Surplus	4	**3,226.90**	3,176.70
Money received against warrants	3(iii)	**-**	124.37
		3,307.65	3,377.02
Non-current Liabilities			
Long-term Borrowings	5	**2,268.13**	2,039.94
Deferred Tax Liabilities (net)	6	**95.50**	95.93
Other Long-term Liabilities	7	**74.75**	74.22
Long-term Provisions	8	**674.42**	584.64
		3,112.80	2,794.73
Current Liabilities			
Short-term Borrowings	9	**193.54**	122.57
Trade Payables	10	**152.47**	148.86
Other Current Liabilities	11	**343.01**	789.58
Short-term Provisions	12	**116.75**	131.22
		805.77	1,192.23
Total		**7,226.22**	7,363.98
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	13	**1,745.30**	1,826.55
Intangible Assets	14	**11.16**	12.20
Capital Work-in-Progress		**307.50**	225.43
Intangible Assets Under Development		**1.73**	4.18
		2,065.69	2,068.36
Non-current Investments	15	**3,369.14**	3,622.19
Long-term Loans and Advances	16	**1,441.02**	1,346.93
Other Non-current Assets	17	**12.36**	27.58
		6,888.21	7,065.06
Current Assets			
Inventories	18	**38.37**	39.79
Trade Receivables	19	**125.22**	124.83
Cash and Bank Balances	20	**48.96**	22.93
Short-term Loans and Advances	21	**92.69**	71.87
Other Current Assets	22	**32.77**	39.50
		338.01	298.92
Total		**7,226.22**	7,363.98

Summary of Significant Accounting Policies	2
The accompanying notes form an integral part of the Financial Statements	1- 47

In terms of our report attached.

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

For PKF Sridhar & Santhanam
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

S. Ramakrishnan
Partner

Cyrus P. Mistry	Chairman
R. K. Krishna Kumar	Vice - Chairman
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director- Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs
Deepak Parekh Jagdish Capoor Nadir Godrej Guy Lindsay Macintyre Crawford	Directors

Mumbai, May 30, 2013 Beejal Desai Vice President - Legal & Company Secretary

TAJ
Hotels Resorts and Palaces

AUDITED STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note	**March 31, 2013 ₹ crores**	March 31, 2012 ₹ crores
Revenue			
Rooms, Restaurants, Banquets and Other Operating Income	23	**1,875.86**	1,808.73
Other Income	24	**48.93**	55.99
Total		**1,924.79**	1,864.72
Expenses			
Food and Beverages Consumed	25	**164.08**	152.87
Employee Benefit Expense and Payment to Contractors	26	**476.73**	471.38
Finance Costs	27	**105.20**	111.99
Depreciation and Amortisation		**125.02**	113.90
Other Operating and General Expenses	28	**830.64**	778.55
Total		**1,701.67**	**1,628.69**
Profit Before Tax and Exceptional Items		**223.12**	236.03
Exceptional Items	29	**(432.91)**	(6.11)
Profit / (Loss) Before Tax		**(209.79)**	229.92
Tax Expenses			
Current Tax		**52.61**	50.04
Deferred Tax		**25.43**	68.15
Minimum Alternate Tax Credit		**-**	(33.62)
Short Provision of Tax of Earlier Years (net)		**(11.22)**	-
Total		**66.82**	84.57
Profit / (Loss) After Tax		**(276.61)**	145.35
Earnings Per Share -	46		
Basic and Diluted - (₹)		**(3.47)**	1.91
Face Value per Ordinary Share - (₹)		**1.00**	1.00
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1- 47		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

SanjivV. Pilgaonkar
Partner

For PKF Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Partner

Mumbai, May 30, 2013

For and on behalf of the Board

Cyrus P. Mistry	Chairman
R. K. Krishna Kumar	Vice - Chairman
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director- Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs
Deepak Parekh	Directors
Jagdish Capoor	Directors
Nadir Godrej	Directors
Guy Lindsay Macintyre Crawford	Directors
Beejal Desai	Vice President - Legal & Company Secretary

AUDITED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Note	March 31,2013 ₹ crores	March 31, 2012 ₹crores
Cash Flow From Operating Activities			
Net Profit / (Loss) Before Tax		**(209.79)**	229.92
Adjustments For:			
Depreciation and Amortisation		**125.02**	113.90
Amortisation of borrowing costs		**1.48**	0.74
Provision for Doubtful Debts and Advances		**(2.47)**	3.85
(Profit) / Loss on sale of investments		**(0.49)**	0.01
Loss on sale of assets		**0.40**	0.86
Expenditure on discontinued project written off		**-**	3.82
Interest income on surrender of project		**-**	(14.45)
Shortfall of business interruption insurance claim		**-**	5.71
Dividend Income		**(23.38)**	(29.73)
Interest Income		**(5.79)**	(6.27)
Interest Expense		**103.72**	111.25
Unrealised Exchange Loss		**4.53**	9.30
Miscellaneous credit write back		**(4.06)**	-
Provision for Contingent Claims		**(0.26)**	5.75
Provision for Diminution in value of Long-term Investments		**373.00**	-
Provision for Obligation of an Associate		**27.55**	-
Provision for Loyalty Programmes (net of Redemptions)		**(0.25)**	0.83
Provision for Employee Benefits		**4.67**	0.60
		603.67	206.17
Cash Operating Profit before working capital changes		**393.88**	436.09
Adjustments for (increase) / decrease in operating assets:			
Inventories		**1.42**	(7.96)
Trade Receivables		**(1.09)**	(21.88)
Short-term loans and advances		**(3.82)**	7.88
Long-term loans and advances		**2.27**	1.32
Other Current Assets		**2.89**	24.40
Other Non-Current Assets		**(4.18)**	(0.84)
		(2.51)	2.92
Adjustments for (increase) / decrease in operating liabilities:			
Trade Payables		**3.61**	15.40
Other Current Liabilities		**(11.97)**	24.78
Other Long-term Liabilities		**(0.19)**	0.42
		(8.55)	40.60
Cash Generated from Operating Activities		**382.82**	479.61
Direct Taxes Paid		**(50.80)**	(30.99)
Net Cash From Operating Activities (A)		**332.02**	448.62
Cash Flow From Investing Activities			
Purchase of Fixed Assets		**(142.30)**	(153.62)
Sale of Fixed Assets		**1.40**	38.25
Purchase of Long-term Investments		**(121.37)**	(819.08)
Sale of Current Investments		**0.49**	617.46
Interest Received		**4.19**	50.83
Dividend Received		**23.38**	29.73
Long-term Deposits placed with subsidiaries		**-**	(270.82)
Long-term Deposits Raised / (Repaid)		**-**	49.10
Long-term Deposits placed with others		**-**	(14.88)
Bank Balances not considered as Cash and Cash Equivalents		**(0.58)**	(10.58)
Long-term Deposits refunded by other companies		**0.98**	15.52
Net Cash Used In Investing Activities (B)		**(233.81)**	(468.09)

TAJ
Hotels Resorts and Palaces

	Note	March 31,2013 ₹ crores	March 31, 2012 ₹crores
Cash flow From Financing Activities			
Proceeds from Issue of Ordinary Shares		**373.10**	-
Debenture Issue Costs		**(1.42)**	(2.53)
Interest Paid		**(118.87)**	(177.86)
Repayment of Long-term borrowings		**(516.31)**	(1,069.49)
Proceeds from Long-term borrowings		**200.00**	1,180.96
Short-term Loans raised		**954.29**	643.23
Short-term Loans repaid		**(883.32)**	(534.42)
Dividend Paid (Including tax on dividend)		**(93.74)**	(87.82)
Net Cash Used In Financing Activities (C)		**(86.27)**	(47.93)
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)		**11.94**	(67.40)
Cash and Cash Equivalents - Opening - 1st April		**22.88**	90.28
Cash and Cash Equivalents - Closing - 31st March		**34.82**	22.88
Footnote:			
Reconciliation of Cash and Cash Equivalents with Cash and Bank Balances as per the Balance Sheet			
Cash and Cash Equivalents as above		**34.82**	22.88
Add : Other Cash and Bank Balances			
Call and Short-term Deposits		**9.96**	0.17
Deposits pledged with others		**1.08**	1.25
Margin money deposits		**0.65**	0.65
Earmarked balances		**4.42**	13.46
Cash and Bank Balances as per the Balance Sheet		**50.93**	38.41
Less : Classified as Non-Current (Refer Note 17, Page 116)		**1.97**	15.48
Cash and Bank Balances classified as Current (Refer Note 20, Page 116)		**48.96**	22.93
The accompanying notes form an integral part of the Financial Statements	1-47		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For PKF Sridhar & Santhanam
Chartered Accountants

SanjivV. Pilgaonkar
Partner

S. Ramakrishnan
Partner

Mumbai, May 30, 2013

For and on behalf of the Board

Cyrus P. Mistry	Chairman
R. K. Krishna Kumar	Vice - Chairman
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director- Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs
Deepak Parekh Jagdish Capoor Nadir Godrej Guy Lindsay Macintyre Crawford	Directors
Beejal Desai	Vice President - Legal & Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note 1: Corporate Information

The Indian Hotels Company Limited ("IHCL" or the "Company"), is a listed public limited company incorporated in 1902. It is promoted by Tata Sons Ltd., which holds a significant stake in the Company. The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.

Note 2: Significant Accounting Policies

The financial statements are prepared under the historical cost convention, on an accrual basis and comply with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006 (as amended). The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are as under:-

(a) Revenue Recognition:

Revenue comprises sale of rooms, food and beverages, allied services relating to hotel operations, including net income from telecommunication services and management and operating fees. Revenue is recognised upon rendering of the service.

(b) Export Benefits Entitlement:

Benefits arising in the nature of Duty Free Scrips are recognised upon the actual utilisation of Duty Credit Scrips for the purchase of Fixed Assets and Inventories and are adjusted against the cost of the related assets.

(c) Employee Benefits (other than persons engaged through contractors):

(i) ***Provident Fund***

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the period. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

(ii) ***Gratuity Fund***

The Company makes annual contributions to funds administered by the trustees for amounts notified by the funds. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(iii) ***Post-Retirement Benefits***

The net present value of the Company's obligation towards post retirement pension scheme for retired whole time directors and Post employment medical benefits to qualifying employees is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(iv) ***Superannuation***

The Company has a defined contribution plan, wherein it annually contributes a sum equivalent to the employee's eligible annual basic salary to a fund administered by the trustees. The Company recognises such contributions as an expense in the year in which they are incurred.

The Company also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(v) ***Compensated Absences***

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation, carried out at the Balance Sheet date.

(vi) ***Other Employee Benefits***

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

(d) Fixed Assets:

Fixed assets are stated at cost less depreciation / amortisation and impairment losses, if any. Cost includes expenses incidental to the installation of assets and attributable borrowing costs.

(e) Depreciation / Amortisation :

Depreciation on assets is provided at the rates as specified in Schedule XIV to the Companies Act, 1956. In respect of Leasehold Land, depreciation is provided from the date the land is put to use for commercial operations, over the balance period of the lease. The renewal of these leases is considered as certain in view of past experience for the purpose of depreciation of building on leased property. In respect of Improvements to Buildings, depreciation is provided @ 6.67% based on its useful life.

Intangible assets are amortised on a straight-line basis at the rates specified below

Website Development Cost	20.00%
Cost of Customer Reservation System (including licensed software)	16.67%
Service & Operating Rights	10.00%

(f) Foreign Currency Translation :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items that have not been hedged, from April 1, 2011 onwards, the Company has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long-term asset / liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

Hedge Accounting

In accordance with its risk management policy, the Company has entered into cross currency swap transactions with a view to convert its Indian Rupee borrowings into foreign currency borrowings. To the extent the Company has designated the foreign currency component (and ignoring the impact of interest) of the swap contracts as hedging instruments in a net investment hedging relationship applying hedge accounting principles (prior to the revision of Accounting Standard (AS) 11 on "The Effects of Changes in Foreign Exchange Rates" by notification no. G.S.R.914(E) dated December 29, 2011) ,the exchange difference arising on translation of the borrowing so converted into a foreign currency liability, at the Balance Sheet date, that are designated and are effective hedges is recognised directly in the "Hedge Reserve" account under "Reserve and Surplus" (Note 4) and the ineffective portion is recognised immediately into the Statement of Profit and Loss. Hedge Accounting is discontinued when the hedging instrument expires or is exercised or cancelled or no longer qualifies for hedge accounting.

Translation of foreign operations

Exchange differences on a monetary item that is receivable from or payable to foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future which, in substance, forms a part of the Company's net investment in that foreign operation, are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment. Upon disposal, such accumulation in the Foreign Currency Translation Reserve, or in the case of partial disposal, proportionate share of the related accumulated exchange difference, is recognised as income or as expense in the Statement of Profit and Loss. For this purpose, partial settlement of a monetary item, is considered to be a partial disposal.

The financial statements of an integral foreign operation are translated using the principles and procedures as if the transactions of the foreign operation are those of the Company itself.

(g) Impairment of Assets :

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount on these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flow to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, a reversal of impairment loss is recognised.

(h) Assets taken on lease :

Operating Lease payments are recognised as expenditure in the Statement of Profit and Loss on a straight line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease.

(i) Inventories:

Stock of Food and Beverages and Stores and Operating supplies are carried at cost (computed on a

Weighted Average basis) or Net Realisable Value, whichever is lower.

(j) Investments:

(i) Long-term investments are carried at cost. Provision is made for diminution in value, other than temporary, on an individual basis.

(ii) Current investments are carried at the lower of cost and fair value, determined on a category-wise basis,

(k) Taxes on income :

(i) Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between the taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of timing differences is recognised as a deferred tax asset or deferred tax liability. The tax effect is calculated on accumulated timing differences at the end of the accounting year, based on effective tax rates substantively enacted by the Balance Sheet date.

(ii) Current tax assets and Current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and Deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(iii) Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date. In situations where the Company has unabsorbed depreciation and carried forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits. Deferred Tax assets are reviewed at each Balance Sheet date for their realisability.

(iv) Minimum Alternative Tax (“MAT”) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(l) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised in terms of Accounting Standard 29 - ‘Provisions, Contingent Liabilities and Contingent Assets’ (AS-29), notified by the Companies (Accounting Standards) Rules, 2006 (as amended), when there is a present legal obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognised in the financial statements.

(m) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Debenture issue costs and the premium on redemption of debentures are adjusted against the available Securities Premium Account in accordance with the provisions of section 78 of the Companies Act, 1956. All other borrowing costs (other than on cross currency interest rate swap which are recognised in the Statement of Profit and Loss in the period in which they accrue) are charged to Statement of Profit and Loss over the tenure of the borrowing.

The Company enters into Interest Rate Swap Contracts to manage interest risks on borrowings. These contracts are held till the maturity of the underlying borrowings. Interest is accounted in the period in which it accrues.

Note 3 : Share Capital

	March 31, 2013 ₹crores	March 31, 2012 ₹ crores
Authorised Share Capital		
Ordinary Shares		
100,00,00,000 Ordinary Shares of ₹ 1/- each	**100.00**	100.00
Preference Shares		
1,00,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	**100.00**	100.00
	200.00	200.00
Issued Share Capital		
80,74,89,291 (Previous year - 75,94,89,291) Ordinary Shares of ₹ 1 /- each	**80.75**	75.95
	80.75	75.95
Subscribed and Paid Up		
80,74,72,787 (Previous year - 75,94,72,787) Ordinary Shares of ₹ 1 /- each. Fully Paid (Refer Footnote (v) and (vi))	**80.75**	75.95
	80.75	75.95

Footnotes:

(i) The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended March 31, 2013, the amount of per share dividend recognised as distribution to equity shareholder was ₹ 0.80/- (Previous year ₹ 1/-).

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31,2013		March 31, 2012	
	No. of shares	**₹ crores**	No. of shares	₹ crores
As at the beginning of the year	**75,94,72,787**	**75.95**	75,94,72,787	75.95
Add : Issued during the year	**4,80,00,000**	**4.80**	-	-
As at the end of the year	**80,74,72,787**	**80.75**	75,94,72,787	75.95

(iii) On December 23, 2010, the Company had issued on preferential basis 4,80,00,000 Warrants to Tata Sons Ltd. at a price of ₹ 103.64 per warrant with a right exercisable by the warrant holder to subscribe to one Ordinary share of the face value of ₹ 1/- each per warrant which option was exercisable after April 1, 2011, but not later than 18 months from the date of issue of the warrants . The Company had received ₹ 124.37 crores, as 25% advance against the warrants at the time of issue of the warrants .The Company has received the balance 75% application / allotment monies amounting to ₹ 373.10 crores on June 22, 2012 and pursuant to the above the Company has alloted 4,80,00,000 Ordinary shares of face value of ₹ 1/- each at a premium of ₹ 102.64 per share to Tata Sons Ltd. on preferential basis. The equity shares issued as aforesaid are eligible to dividend of ₹ 1/- per share for the year 2011-12.

(iv) Shareholders holding more than 5% shares in the company

	March 31, 2013		March 31, 2012	
	No. of shares	**% of Holding**	No. of shares	% of Holding

	March 31, 2013		March 31, 2012	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Equity share of ₹ 1/- each fully paid				
Tata Sons Limited	**20,20,52,004**	**25.02**	14,87,21,334	19.58
Life Insurance Corporation of India	**7,68,79,324**	**9.52**	7,68,79,324	10.12
Sir Dorabji Tata Trust	**5,02,21,040**	**6.22**	5,02,21,040	6.61

(v) Aggregate number of equity shares issued for consideration other than cash and shares issued on conversion of Foreign Currency Convertible Bonds during the period of five years immediately preceeding the year March 31, 2013 :

	March 31, 2013 No. of shares	March 31, 2012 No. of shares
Shares allotted as fully paid shares, pursuant to amalgamation of Gateway Hotels & Getaway Resorts Limited and Indian Resort Hotels Limited with the Company.	**-**	1,62,19,670
Shares issued as fully paid shares, pursuant to exercise of option for conversion by holders of Foreign Currency Convertible Bonds.	**-**	903

(vi) 16,504 (Previous year - 16,504) Ordinary Shares have been issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.

Note 4 : Reserve and Surplus

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Capital Reserve		
Opening and Closing Balance	**43.91**	43.91
Capital Redemption Reserve		
Opening and Closing Balance	**1.12**	1.12
Securities Premium Reserve		
Opening Balance	**1,667.09**	1,668.80
Add : On allotment of shares on Warrant (Refer Note 3 Footnote (iii). Page 103)	**492.67**	-
Less : Provision for Premium payable on redemption of Debentures (net of tax)	**63.66**	-
Less : Issue expenses written off (net of tax)	**0.96**	1.71
Closing Balance	**2,095.14**	1,667.09
Debenture Redemption Reserve		
Opening and Closing Balance	**440.97**	440.97
Investment Reserve		
Opening and Closing Balance	**5.00**	5.00
Investment Allowance Utilised Reserve		
Opening and Closing Balance	**4.03**	4.03
Export Profits Reserve		
Opening and Closing Balance	**0.41**	0.41
Hedge Reserve (Refer Footnote)		
Opening Balance	**(118.22)**	-
Add / (Less) : Exchange translation for the year	**(58.68)**	(118.22)
Closing Balance	**(176.90)**	(118.22)
Foreign Currency Translation Reserve		
Opening Balance	**215.90**	14.15
Add/ (Less): Transferred to Statement of Profit and Loss on disposal of the net investments	**-**	(1.11)
Add / (Less) : Exchange translation difference on net investment in non-integral foreign operations	**62.67**	202.86
Closing Balance	**278.57**	215.90

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Foreign Currency Monetary Item Translation Difference Account (Refer Note 35, Page 123)		
Opening Balance - (Debit) / Credit	**9.21**	-
Add / (Less) : Exchange translation difference for the year	**(33.71)**	0.46
Add / (Less) : Transferred to Statement of Profit and Loss on amortisation	**9.25**	8.75
Closing Balance - (Debit) / Credit	**(15.25)**	9.21
General Reserve		
Opening Balance	**484.61**	470.07
Add : Transferred from Surplus in Statement of Profit and Loss	**-**	14.54
Closing Balance	**484.61**	484.61
Surplus in Statement of Profit and Loss		
Opening Balance	**422.67**	380.13
Add : Net Profit / (Loss) for the current year	**(276.61)**	145.35
Less : Dividend paid for previous year	**4.80**	-
Less : Tax on Dividend	**0.78**	-
Less : Proposed Dividend	**64.60**	75.95
Less : Tax on Dividend	**10.59**	12.32
Less : Transfer to General Reserve	**-**	14.54
Closing Balance	**65.29**	422.67
	3,226.90	3,176.70

Footnote :

The Company has adopted hedge accounting principles to account for hedging of loans extended to subsidiaries forming a part of the Company's net investment in non-integral foreign operations. Effectively, the Company had partially converted its rupee borrowings into foreign currency borrowings, using cross-currency swap derivative instruments, so as to cover the foreign currency fluctuations of its investments in overseas subsidiaries and the foreign currency borrowings.

On application of the hedge accounting policy, the foreign currency translation differences of both, the hedging instrument (i.e. the borrowings) and the hedged item (i.e. the net investment in non-integral foreign operation), are recognised under Reserves and Surplus having due consideration to hedge effectiveness. Accordingly, the translation difference on the borrowings amounting to ₹ 58.68 crores (Previous year ₹ 118.22 crores) for year ended March 31, 2013 forming the effective portion of the hedge has been recognised in the Hedge Reserve Account in the Balance Sheet, whilst the corresponding translation differences of the net investment in non-integral foreign operation of ₹ 62.67 crores (Previous year ₹ 202.86 crores) for the year ended March 31, 2013 has been recognised under "Foreign Currency Translation Reserve Account" in the Balance Sheet.

Note 5 : Long-term Borrowings

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Debentures		
Secured	**939.79**	968.50
Unsecured	**809.07**	581.68
	1,748.86	1,550.18
Term Loans from Banks		
Unsecured	**515.90**	485.99
	515.90	485.99
Fixed Deposits		
Unsecured		
From Shareholders	**-**	0.60
From Others	**-**	-
	-	0.60
Loans and advances from Related Parties		
Unsecured	**3.37**	3.17
	3.37	3.17
	2,268.13	2,039.94

Footnotes :

(i) Current and Non-Current Components of Long-Term Borrowing as at:

	March 31,2013 ₹ crores		March 31, 2012 ₹ crores	
	Non-Current	**Current**	Non-Current	Current
Non Convertible Debentures (NCDs) **Secured** (Refer Footnote (ii))				
a) 10.10% Non-Convertible Debentures	**300.00**	**-**	300.00	-
b) 9.95% Non-Convertible Debentures	**250.00**	**-**	250.00	-
Add : Exchange Loss on currency swap of the above Debentures	**49.61**	**-**	32.25	-
c) 2% Non-Convertible Debentures	**300.00**	**-**	300.00	-
Add : Exchange Loss on currency swap of the above Debentures	**40.18**	**-**	26.25	-
d) 11.80% Non-Convertible Debentures	**-**	**60.00**	60.00	90.00
	939.79	**60.00**	968.50	90.00
Unsecured (Refer Footnote (iii))				
a) 2% Non-Convertible Debentures	**250.00**	**-**	250.00	-
Add : Exchange Loss on currency swap of the above Debentures	**39.90**	**-**	23.13	-
b) 9.90% Non-Convertible Debentures	**136.00**	**-**	136.00	-
c) 2% Non-Convertible Debentures	**150.00**	**-**	150.00	-
Add : Exchange Loss on currency swap of the above Debentures	**33.17**	**-**	22.55	-
d) 2% Non-Convertible Debentures	**200.00**	**-**	-	-
	809.07	**-**	581.68	-
Term Loan From Banks (Unsecured)				
Foreign Currency Term Loan From Banks (Refer Footnote iv)	**515.90**	**-**	485.99	-
Foreign Currency Term Loan From Banks (Refer Footnote (v))	**-**	**-**	-	141.47
	515.90	**-**	485.99	141.47
Fixed Deposits (Unsecured) **(Refer Footnote (vi))**				
From Shareholders	**-**	**0.60**	0.60	60.60
From Others	**-**	**-**	-	224.80
Loans and Advances (Unsecured)	**-**	**0.60**	0.60	285.40
From Related Party	**3.37**	**-**	3.17	-
	2,268.13	**60.60**	2,039.94	516.87

(ii) Secured Debentures include :

(a) 3,000, 10.10% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, are allotted on November 18, 2011 and repayable at par at the end of 10th year from the date of allotment i.e November 18, 2021.

(b) 2,500, 9.95% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, are allotted on July 27, 2011 and repayable at par at the end of 10th year from the date of allotment i.e July 27, 2021. The Company has entered into currency swap transactions with a view to convert these debentures into foreign currency borrowing, to hedge its foreign currency assets. Accordingly, the underlying borrowings are translated at the exchange rate prevailing at the Balance Sheet date.

(c) 3,000, 2% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, are allotted on March 22, 2010 and repayable in 3 annual instalments commencing at the end of 5th, 6th & 7th year from the date of allotment along with redemption premium of ₹ 6.13 lakhs per debenture in the ratio of 20:30:50 so as to give a yield to maturity of 9.5%. The

Company has entered into currency swap transactions on ₹ 200 crores with a view to convert these debentures into foreign currency borrowing, to hedge its foreign currency assets. Accordingly, the underlying borrowings to the extent of ₹ 200 crores are translated at the exchange rate prevailing at the Balance Sheet date.

(d) 3,000, 11.80% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on December 18, 2008 and repayable in 3 annual instalments in the ratio of 50:30:20 at the end of the 3rd year from the date of allotment. During the year, the Company has repaid the second instalment which was due on December 18, 2012 of ₹ 90 crores.

All the Secured Non-Convertible Debentures are rated, listed and secured by a pari passu first charge created on all the fixed assets of the Company, both present and future.

(iii) Unsecured Debentures include :

(a) 2,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on December 9, 2009 aggregating ₹ 250 crores and repayable at the end of the 10th year, along with redemption premium of ₹ 12.43 lakhs per debenture. The Company has entered into currency swap transactions with a view to convert these debentures into foreign currency borrowing to the extent of ₹ 249.27 crores, to hedge its foreign currency assets. Accordingly, the underlying borrowings are translated at the exchange rate prevailing at the Balance Sheet date.

(b) 1,360, 9.90% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on February 24, 2012 aggregating ₹ 136 crores and repayable at the end of the 5th year from the date of allotment.

(c) 1,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on December 9, 2009 aggregating ₹ 150 crores and repayable at the end of the 5th year, along with redemption premium of ₹ 4.37 lakhs per debenture. The Company has entered into currency swap transactions with a view to convert these debentures into foreign currency borrowing, to hedge its foreign currency assets. Accordingly, the underlying borrowings are translated at the exchange rate prevailing at the Balance Sheet date.

(d) 2,000, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on April 23, 2012 aggregating ₹ 200 crores and repayable at the end of the 5th year from the date of allotment, along with redemption premium of ₹ 4.71 lakhs per debenture.

(iv) The Company had taken external commercial borrowing of US $ 95 million on November 23, 2011. The loan is repayable at the end of 50th, 60th, and 72nd month from November 23, 2011 in equal instalments to achieve the average maturity of 5.05 years and carries an interest based on spread over LIBOR.

(v) The Company had taken interest bearing external commercial borrowing of US $ 30 million on April 25, 2007. The company has repaid the external commercial borrowings which was due on April 25, 2012.

(vi) The Company had taken Fixed Deposits from Public as well as Shareholders carrying interest @ 9.50% and 10% for 2 and 3 years respectively, with an additional interest @ 0.25% p.a. for senior citizens, shareholders and employees. The interest on these deposits was being paid on half-yearly basis and on maturity. As on April 1, 2012 ₹ 286.00 crores of fixed deposits were outstanding of which ₹ 285.40 crores matured in current year. The Company has repaid ₹ 283.95 crores being fixed deposits which were claimed.

(vii) Maturity Profile of Debentures :

Non-Convertible Debentures (NCDs)	Redeemable on	Principal	Premium	₹ crores Total
Secured				
a) 10.10% Non-Convertible Debentures	November 18, 2021	300.00	-	300.00
b) 9.95% Non-Convertible Debentures	July 27, 2021	250.00	-	250.00
c) 2% Non-Convertible Debentures	March 22, 2017	150.00	105.25	255.25

Non-Convertible Debentures (NCDs)	Redeemable on	Principal	Premium	₹ crores Total
(3rd installment)				
2% Non-Convertible Debentures (2nd installment)	March 22, 2016	90.00	51.50	141.50
2% Non-Convertible Debentures (1st installment)	March 22, 2015	60.00	27.22	87.22
d) 11.80% Non-Convertible Debentures (3rd installment)	December 18, 2013	60.00	-	60.00
		910.00	183.97	1,093.97
Unsecured				
a) 2% Non-Convertible Debentures	December 9, 2019	250.00	310.84	560.84
b) 9.90% Non-Convertible Debentures	February 24, 2017	136.00	-	136.00
c) 2% Non-Convertible Debentures	April 23, 2017	200.00	94.23	294.23
d) 2% Non-Convertible Debentures	December 9, 2014	150.00	65.46	215.46
		736.00	470.53	1206.53
		1646.00	654.50	2300.50

Note 6 : Deferred Tax Liabilities (net)

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Deferred tax liabilities:		
Depreciation on fixed assets	273.42	266.32
Unamortised borrowing costs	2.07	2.42
Total(A)	275.49	268.74
Deferred tax assets:		
Provision for doubtful debts	2.93	2.99
Premium on redemption of Debentures	148.93	141.82
Provision for Employee Benefits	13.81	12.67
Others	14.32	15.33
Total(B)	179.99	172.81
Net Deferred tax liabilities (A-B)	95.50	95.93

Footnote:

Deferred Tax Assets of ₹ 25.86 crores (Previous year - ₹ NIL) has been adjusted against Securities Premium Reserve

Note 7 : Other Long-term Liabilities

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Creditors for capital goods and services	3.13	2.41
Deposits from others		
Secured (Refer Note 15 Footnote (v). Page 115)	71.10	71.10
Unsecured	0.52	0.71
	71.62	71.81
	74.75	74.22

Note 8 : Long-term Provisions

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Provision For Employee Benefits		
Compensated absences	11.72	11.06
Gratuity	-	4.83
Post-employment medical benefits	2.63	2.40
Post-retirement pension	5.57	6.08

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
	19.92	24.37
Provision - Others		
Premium on Redemption of Debentures (Refer Note 5 Footnote (vii). Page 107)	654.50	560.27
	674.42	584.64

Note 9 : Short-term Borrowings

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Loans repayable on demand		
From Bank		
Secured (Refer Footnote (i))	-	2.68
	-	2.68
Other Short-term Loans		
From Related Parties		
Unsecured (Refer Footnote (ii))	45.00	25.00
From Others		
Unsecured (Refer Footnote (iii))	148.54	94.89
	193.54	119.89
	193.54	122.57

Footnotes :

(i) Secured loan from Bank consists of overdraft facilities. These are secured by hypothecation of operating supplies, stores, food and beverages and receivables.

(ii) Short-term loans from related parties consists of inter-corporate deposits for a period of 90 days with an option of pre-payment and carries interest @ 9%.

(iii) The Company has issued 3,000 Commercial Paper of ₹ 5 lakhs each aggregating ₹ 150 crores (net proceeds ₹ 147.57 crores and interest accrued for current year ₹ 0.97 crore) on March 8, 2013. The Commercial Paper carries interest @10 % and is repayable at par at the end of 60 days from the date of allotment.

Note 10 : Trade Payables

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Trade Payables		
Micro, Small and Medium Enterprises (Refer Footnote (i) and (ii))	1.71	1.60
Vendor Payables	76.49	53.66
Accrued expenses and others	74.27	93.60
	152.47	148.86

Footnotes :

(i) The amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(ii) The disclosures relating to Micro, Small and Medium Enterprises are as under:

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
(a) The principal amount remaining unpaid to supplier	1.71	1.60

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
as at the end of the accounting year		
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note 11 : Other Current Liabilities

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Current maturities of long-term borrowings **(Refer Note 5 Footnote (i). Page 106)**		
Debentures	60.00	90.00
Term Loans	-	141.47
Fixed Deposits	0.60	285.40
	60.60	516.87
Payables on Current Account dues :		
Related Parties	19.14	9.20
Others	11.08	8.74
	30.22	17.94
Deposits (Unsecured)	19.66	20.22
Interest accrued but not due on borrowings	40.01	39.89
Income received in advance	17.46	13.31
Advances collected from customers	36.93	41.48
Creditors for capital expenditure	10.22	17.59
Unclaimed dividend (Refer Footnote (i))	3.15	3.04
Unclaimed Share Application Money (Refer Footnote (i))	0.13	0.13
Unclaimed Matured Deposits and interest accrued thereon (Refer Footnote (i))	2.68	2.02
Unclaimed matured debentures and interest accrued thereon ₹ 25,100 (Previous Year - ₹ 25,100) (Refer Footnote (i))	-	-
Other Liabilities (Refer Footnote (ii))	121.95	117.09
	343.01	789.58

Footnotes :

(i) A sum of ₹ 0.24 crore (Previous year ₹ 0.21 crore) due for transfer to the Investor Education and Protection Fund duringthe year has been transferred and there are no dues in this respect which have remained unpaid as at the Balance Sheet date.

(ii) Other liabilities include accruals related to employees ₹ 66.15 crores (Previous year ₹ 86.11 crores) and Provision for obligation of an Associate ₹ 27.55 crores (Previous year ₹ NIL)

Note 12 : Short-term Provisions

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Provision for Employees Benefits		
Compensated absences	17.44	13.17
Post-employment medical benefits	0.23	0.22
Post-retirement pension	6.16	1.32
	23.83	14.71
Provision - Others		
Provision for Contingencies (Refer Footnote (i))	2.57	12.83
Proposed Dividend	64.60	75.95
Tax on Dividend	10.59	12.32
Loyalty Programmes (Refer Footnote (ii))	15.16	15.41
	92.92	116.51
	116.75	131.22

Footnotes :

(i) Provision for Contingencies include :

	Opening Balance ₹ crores	Addition / (Deletion) ₹ crores	Closing Balance ₹ crores
Legal and Statutory matters	**1.44**	**(0.26)**	**1.18**
	1.12	*0.32*	*1.44*
Contractual matters in the course of business	**10.16**	**(10.00)**	**0.16**
	5.00	*5.16*	*10.16*
Employee related matters	**1.23**	**-**	**1.23**
	0.96	*0.27*	*1.23*
Total	**12.83**	**(10.26)**	**2.57**
	7.08	*5.75*	*12.83*

(a) The above matters are under litigation / negotiation and the timing of the cash flows cannot be currently determined.

(b) Figures in italics are in respect of previous year.

(ii) Details of Provision for Loyalty Programmes :

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Opening Balance	15.41	14.58
Less : Redeemed during the year	11.21	9.00
	4.20	5.58
Add : Provision during the year	10.96	9.83
Closing Balance	15.16	15.41

Note 13 : Tangible Assets (Owned)

	Freehold Land ₹ crores	Leasehold Land ₹ crores	Buildings (Refer Footnote (i)) ₹ crores	Plant and Equipment ₹ crores	Furniture & Fixtures ₹ crores	Office Equipment ₹ crores	Vehicles ₹ crores	Total ₹ crores
Gross Block at Cost								
At April 1, 2011	136.22	11.83	1,098.62	876.50	359.04	70.46	16.50	2,569.17
Additions	-	-	59.40	108.32	54.90	7.62	0.29	230.53
Adjustments (Refer Footnote (iii))	-	-	1.33	10.74	18.34	2.48	-	32.89
Disposals	0.27	-	1.81	25.13	5.88	0.13	1.26	34.48
At March 31,2012	135.95	11.83	1,157.54	970.43	426.40	80.43	15.53	2,798.11
Additions	-	-	10.28	22.35	6.48	1.77	0.25	41.13
Disposals	-	-	0.36	6.66	3.98	1.98	0.30	13.28

	Freehold Land ₹ crores	Leasehold Land ₹ crores	Buildings (Refer Footnote (i)) ₹ crores	Plant and Equipment ₹ crores	Furniture & Fixtures ₹ crores	Office Equipment ₹ crores	Vehicles ₹ crores	Total ₹ crores
At March 31,2013	135.95	11.83	1,167.46	986.12	428.90	80.22	15.48	2,825.96
Depreciation (Refer Footnote (ii))								
At April 1, 2011	3.88	0.85	163.12	418.71	219.85	45.35	7.18	858.94
Charge for the year	-	0.18	26.53	47.50	24.77	9.51	1.09	109.58
Adjustments (Refer Footnote (iii))	-	-	5.76	14.05	13.39	0.72	-	33.92
Disposals	-	-	0.34	23.61	5.67	0.12	1.14	30.88
At March 31, 2012	3.88	1.03	195.07	456.65	252.34	55.46	7.13	971.56
Charge for the year (Refer Footnote (iv))	-	0.16	29.12	54.44	27.98	7.54	1.43	120.67
Disposals	-	-	0.13	5.80	3.44	1.92	0.28	11.57
At March 31,2013	3.88	1.19	224.06	505.29	276.88	61.08	8.28	1,080.66
Net Block								
At March 31, 2012	132.07	10.80	962.47	513.78	174.06	24.97	8.40	1,826.55
At March 31,2013	132.07	10.64	943.40	480.83	152.02	19.14	7.20	1,745.30

Footnotes :

i. Gross Block includes buildings constructed on leasehold land and improvements thereto - ₹ 599.92 crores (Previous year - ₹ 591.48 crores).

ii. Accumulated Depreciation includes adjustment for impairment made in earlier years of ₹ 6.61 crores (Previous year - ₹ 6.61 crores), including ₹ 3.88 crores (Previous year ₹ 3.88 crores) on Freehold Land.

iii. Adjustments for the previous year include cost / depreciation adjustments on decapitalisation / recapitalisation of fixed assets on restoration of Taj Mahal Palace, Mumbai, subsequent to receipt of insurance claim.

iv Depreciation charge for the year includes ₹ 0.04 crore (Previous year ₹ 0.05 crore) which is capitalised during the year.

Note 14 : Intangible Assets

	Website Development Cost ₹ crores	Software (Refer Footnote) ₹ crores	Service & Operating Rights ₹ crores	Total ₹ crores
Gross Block at Cost				
At April 1, 2011	8.41	18.27	9.33	36.01
Additions	0.18	0.82	-	1.00
Adjustments	-	0.06	-	0.06
Disposals	4.52	-	-	4.52
At March 31, 2012	4.07	19.15	9.33	32.55
Additions	-	0.71	2.72	3.43
Disposals	-	0.29	-	0.29
At March 31, 2013	4.07	19.57	12.05	35.69
Amortisation				
At April 1, 2011	5.02	8.53	6.95	20.50
Charge for the year	0.84	2.94	0.59	4.37
Disposals	4.52	-	-	4.52
At March 31, 2012	1.34	11.47	7.54	20.35
Charge for the year	0.81	2.79	0.79	4.39
Disposals	-	0.21	-	0.21
At March 31, 2013	2.15	14.05	8.33	24.53
Net Block				
At March 31, 2012	2.73	7.68	1.79	12.20
At March 31, 2013	1.92	5.52	3.72	11.16

Footnote :

Software includes Customer Reservation System and other Licensed software.

Note 15 : Non-current Investments (at cost)

	Face Value	March 31, 2013		March 31, 2012	
		Holdings As at	₹ crores	Holdings As at	₹ crores
Trade Investments : **Fully Paid Unquoted Equity Instruments** **Investments in Subsidiary Companies** International Hotel Management Services Inc. (includes ₹ 1,925.81 crores (Previous year ₹ 1,806.34 crores) by way of additional paid-in capital)	US $ 1	100	1,937.14	100	1,817.67
KTC Hotels Ltd.	₹ 10	6,04,000	0.70	6,04,000	0.70
Residency Food & Beverages Ltd.	₹ 10	1,85,00,000	18.25	1,85,00,000	18.25
Roots Corporation Ltd.	₹ 10	5,10,00,000	51.00	5,10,00,000	51.00
Taj International Hotels (H.K.) Ltd.					
(13,00,00,000 Shares alloted during the year)	US $ 1	23,00,00,000	1,111.05	10,00,00,000	446.02
Share application money with Taj International Hotels (H.K.) Ltd. pending for allotment			-		665.03
Taj SATS Air Catering Ltd.	₹ 10	88,74,000	61.82	88,74,000	61.82
TIFCO Holdings Ltd.	₹ 10	8,15,00,000	81.50	8,15,00,000	81.50
United Hotels Ltd.	₹ 10	25,18,320	1.11	25,18,320	1.11
Piem Hotels Ltd.	₹ 10	9,86,760	61.12	9,86,760	61.12
Ideal Ice & Cold Storage Co. Ltd.	₹ 10	1,07,224	0.06	1,07,224	0.06
Inditravel Ltd.	₹ 10	2,40,004	0.24	2,40,004	0.24
Taj Enterprises Ltd.	₹ 100	7,000	0.07	7,000	0.07
Taj Rhein Shoes Co. Ltd.	₹ 100	45,000	0.45	45,000	0.45
Taj Trade & Transport Co. Ltd.	₹ 10	12,54,000	2.67	12,54,000	2.67
			3,327.18		3,207.71
Investments in Jointly Controlled Entities					
IHMS Hotels (SA) (Proprietary) Ltd. *(₹ 3,052)*	ZAR 1	500	-	500	-
Share application money with IHMS Hotels (SA) (Proprietary) Ltd. pending for allotment (including ₹0.48 crores during the year)			42.48		42.00
Taj Karnataka Hotels & Resorts Ltd.	₹ 10	5,00,000	0.50	5,00,000	0.50
Taj Kerala Hotels & Resorts Ltd.	₹ 10	1,41,51,663	15.67	1,41,51,663	15.67
Taj Madras Flight Kitchen Pvt. Ltd.	₹ 10	79,44,112	8.56	79,44,112	8.56
Taj Safaris Ltd.	₹ 10	59,16,667	7.92	59,16,667	7.92
TAL Hotels & Resorts Ltd.	US $ 1	13,29,778	13.63	13,29,778	13.63
Kaveri Retreats and Resorts Ltd.*	₹ 10	20,00,000	6.80	-	-
			95.57		88.28
Investments in Associate Companies					
BJETS Pte Ltd., Singapore	US $ 1	2,00,00,000	102.59	2,00,00,000	102.59
Taida Trading & Industries Ltd.	₹ 100	26,912	0.27	26,912	0.27
Taj Madurai Ltd.	₹ 10	9,12,000	0.95	9,12,000	0.95
Kaveri Retreats and Resorts Ltd.*	₹ 10	-	-	20,00,000	6.80
			103.81		110.61
Carried over			3,526.56		3,406.60

	Face Value	March 31, 2013		March 31, 2012	
		Holdings As at	₹ crores	Holdings As at	₹ crores
Brought over			3,526.56		3,406.60
Investments in Other Companies					
Hotels and Restaurant Co-op. Service Society Ltd. (₹ 1,000/-)	₹ 50	20	-	20	-
India Tourism Development Corporation Ltd.(Listed but not quoted)	₹ 10	67,50,275	44.58	67,50,275	44.58
Kumarkrupa Hotels Ltd.	₹ 10	96,432	0.94	96,432	0.94
Lands End Properties Pvt. Ltd.	₹ 10	19,90,000	1.99	19,90,000	1.99
Taj Air Ltd.	₹ 10	1,47,060	0.15	1,47,060	0.15
Tata Projects Ltd.	₹ 100	90,000	0.17	90,000	0.17
Tata Services Ltd.	₹ 1,000	421	0.03	421	0.03
Tata Sons Ltd.	₹ 1,000	4,500	25.00	4,500	25.00
TRIL Infopark Ltd. (Refer Footnote v)	₹ 10	7,11,00,000	71.10	7,11,00,000	71.10
			143.96		143.96
Fully Paid Quoted Equity Investments :					
Investments in Subsidiary Companies					
Benares Hotels Ltd.	₹ 10	2,93,000	0.69	2,93,000	0.69
			0.69		0.69
Investments in Jointly Controlled Entities					
Taj GVK Hotels & Resorts Ltd.	₹ 2	1,60,00,000	40.34	1,60,00,000	40.34
			40.34		40.34
Investments in Associate Companies					
TAL Lanka Hotels PLC	Sri Lankan Rs 10	3,43,75,640	18.72	3,43,75,640	18.72
Oriental Hotels Ltd.	₹ 1	3,37,64,550	28.73	3,37,64,550	28.73
			47.45		47.45
Investment in Other Companies					
Tourism Finance Corporation of India Ltd.	₹ 10	50,000	0.10	50,000	0.10
Total Trade Investment			3,759.09		3,639.14
Non-trade Investments - Long Term					
Investment in Equity Instruments					
HDFC Bank Ltd. (quoted) *(₹5,000/-)*	₹ 2	2,500	-	2,500	-
Investment in Preference Shares					
Central India Spinning Weaving & Manufacturing Co. Ltd.	₹ 500	50	-	50	-
(10% unquoted Cumulative Preference Shares) *(₹27,888/-)*					
Investment in Others					
National Savings Certificate *(₹ 45,000/-)*			-		-
Total Long-Term Investments - Gross			3,759.09		3,639.14
Less : Provision for Diminution in value of Investments			389.95		16.95
Total Long-Term Investments - Net			3,369.14		3,622.19

* Became Jointly Controlled Entity with effect from April 1, 2012

Footnotes:

(i) Aggregate of Quoted Investments - Gross : Cost 88.58 88.58

		: Market Value	220.35	265.48
(ii)	Aggregate of Unquoted Investments - Gross	: Cost	3,670.51	3,550.56

(iii) The Company has made long-term strategic investments, either directly or through its overseas subsidiaries, which are being carried at "cost" in its financial statements. Selectively, some of these investments have witnessed a decline in their fair values and consequent erosion in net worth on account of the global recessionary conditions that have continued unabated in recent years. Thus, the Company has felt it prudent to recognise a diminution, other than temporary, of ₹ 305 crores, in the value of its investment in Taj International Hotels (H.K) Ltd. ("TIHK"), a wholly owned subsidiary , which in turn holds investments in the Company's various international entities, including Orient-Express Hotels Ltd. The charge to the Statement of Profit and Loss has been classified as an "Exceptional Item" for the current year. The performance of its investments would be monitored on a periodic basis by the Company and adjustments made to their carrying values thereof, if necessary.

Through a subsidiary of TIHK, the Company holds Class A shares costing ₹ 1,078 crores (US $ 262 million) in Orient- Express Hotels Ltd. ("Orient-Express"), which are carried at cost by that subsidiary. The market value of these shares has declined significantly and as at the Balance Sheet date it corresponds to a value of ₹ 382 crores, approximately. In pursuit of its long-term strategic growth plans, in October, 2012, the Company communicated its desire to acquire all of the outstanding Class A shares of Orient-Express to the Board of Directors of that company. The Company's bid was valued at approximately US $ 1.86 billion (including Orient-Express' existing outstanding debt). The Board of Directors of Orient-Express responded by stating that in their view it was a "highly disadvantageous time to sell" Orient-Express. The Company is reviewing its options in this regard.

(iv) The Company has also recognised a diminution, other than temporary, of ₹ 68 crores, in respect of its investment in Bjets Pte Ltd., Singapore. The charge to the Statement of Profit and Loss has been classified as an "Exceptional Item" for the current year.

(v) Transfer of shares are restricted due to option granted for 10 years upto July, 2021 to Tata Realty and Infrastructure Ltd. for repurchase of the shares at par value. Tata Realty and Infrastructure Ltd. has deposited a sum of ₹ 71.10 crores (Previous year ₹ 71.10 crores) as Option Deposit, which shall be adjusted upon exercise of the option or refunded.

Note 16 : Long-term Loans and Advances

	March 31, 2013 ₹ crores	**March 31, 2012 ₹ crores**
(Unsecured, considered good unless stated otherwise)		
Capital advances	36.35	9.59
Long-term security deposits placed for Hotel Properties		
External parties	117.05	118.03
Related parties	3.50	3.50
	120.55	121.53
Deposits with Public Bodies and Others	29.73	25.55
Loans and advances to related parties **(Refer Footnote)**		
Subsidiary Companies	1,105.56	1,041.46
Jointly Controlled Entities	13.50	13.03
Associates	-	8.04
	1,119.06	1,062.53
Other loans and advances		
Advance Income Tax paid (net)	78.82	51.37
MAT credit entitlement	48.67	66.25
Others	7.84	10.11
	135.33	127.73
	1,441.02	1,346.93

Footnote:

Loans and advances to related parties include long-term shareholders' deposits placed by the Company with its overseas Subsidiaries and Jointly Controlled Entities.

Note 17 : Other Non-current Assets

	March 31,2013 ₹ crores	**March 31, 2012 ₹ crores**
Deposits with Banks (Refer Note 20, Page 116)	1.97	15.48
Unamortised borrowing costs (Refer Note 22, Page 117)	4.77	6.07
Interest receivable from Related parties	5.62	6.03
	12.36	27.58

Note 18 : Inventories (At lower of cost and net realisable value)

	March 31,2013 ₹ crores	**March 31, 2012 ₹ crores**
Food and Beverages	17.52	20.15
Stores and Operating Supplies	20.85	19.64
	38.37	39.79

Note 19 : Trade Receivables

	March 31,2013 ₹ crores	**March 31, 2012 ₹ crores**
(Unsecured) (Refer Footnote)		
Outstanding over six months :		
Considered good	10.25	12.57
Considered doubtful	8.61	9.22
	18.86	21.79
Others :		
Considered good	114.97	112.26
Considered doubtful	0.01	-
	114.98	112.26
	133.84	134.05
Less : Provision for Doubtful Debts	8.62	9.22
	125.22	124.83

Footnote :

Trade Receivables include debts due from Directors - ₹ 12,151 (Previous year - ₹ NIL) in the ordinary course of business.

Note 20 : Cash and Bank Balances

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Cash and Cash Equivalents		
Cash on hand	2.07	1.52
Cheques, Drafts on hands	3.79	7.27
Balances with bank in current account	28.38	13.51
Balances with bank in call and short-term deposit accounts		
(original maturity less than 3 months)	0.58	0.58
	34.82	22.88
Other Balances with Banks :		
Call and Short-term deposit accounts	9.96	0.17
Deposits pledged with others	1.08	1.25
Margin money deposits	0.65	0.65
Earmarked balances	4.42	13.46
	16.11	15.53
Total Cash and Bank Balances	50.93	38.41

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Less : Term deposit with banks maturing after 12 months from Balance Sheet date and other earmarked / margin money / pledged deposits classified as non-current (Refer Note 17, Page 116)	1.97	15.48
	48.96	22.93

Note 21 : Short term loans and Advances

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
(Unsecured, considered good unless stated otherwise) Short-term Loans and Advances		
Related Parties		
Jointly Controlled Entities	9.90	5.00
Associates	8.04	-
	17.94	5.00
Others	0.94	2.02
	18.88	7.02
Deposit with Public Bodies and Others	5.36	10.47
Other Advances		
Considered good	68.45	54.38
Considered doubtful	2.15	5.32
	70.60	59.70
Less : Provision for doubtful Advances	2.15	5.32
	68.45	54.38
	92.69	71.87

Note 22 : Other Current Assets

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Interest Receivable:		
Related Parties	2.56	0.92
Others	14.67	14.30
	17.23	15.22
On Current Account dues :		
Related Parties	9.57	16.74
Others	4.65	6.16
	14.22	22.90
Unamortised Borrowing Costs :		
Opening Balance	7.45	0.25
Add : Additions during the year	0.12	7.94
Less : Amortised during the year (Refer Footnote)	1.48	0.74
Closing Balance	6.09	7.45
Less : Unamortised borrowing costs - Non-Current (Refer Note 17, Page 116)	4.77	6.07
	1.32	1.38
	32.77	39.50

Footnote:

Represents expenses on loans amortised over the tenure of the loan.

Note 23 : Rooms, Restaurants, Banquets and Other Operating Income

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Room Income	889.25	883.27
Food, Restaurants and Banquet Income	732.37	684.13
Shop Rentals	26.21	28.31
Membership Fees	49.91	42.81
Management and Operating Fees	116.52	112.17
Others	61.60	58.04
	1,875.86	1,808.73

Note 24 : Other Income

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Interest Income		
Inter-corporate deposits	0.15	0.25
Deposits with banks	2.06	1.64
Deposits with related parties	1.95	1.94
Interest on Income Tax Refunds	0.06	1.60
Others	1.57	0.84
	5.79	6.27
Dividend Income from Long-term Investments		
From related parties		
(including Dividend from Subsidiaries ₹ 9.18 crores (Previous year ₹ 7.36 crores))	17.30	17.69
From others	1.63	1.87
Dividend Income from other Current Investments	4.45	10.17
Profit on sale of Current Investments (Net)	0.49	-
Exchange Gain (Net)	-	2.29
Others	19.27	17.70
	48.93	55.99

Note 25 : Food and Beverages Consumed

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Opening Stock	20.15	15.40
Add : Purchases	161.45	157.62
	181.60	173.02
Less : Closing Stock	17.52	20.15
Food and Beverages Consumed	164.08	152.87

	March 31,2013		March 31, 2012	
	₹ crores	%	₹ crores	%
Imported	25.04	15.26	16.99	11.11
Indigenous	139.04	84.74	135.88	88.89
	164.08	100.00	152.87	100.00

Note 26 : Employee Benefit Expense and Payment to Contractors

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Salaries, Wages, Bonus etc.	341.07	325.71
Company’s Contribution to Provident and Other Funds (Refer Note 36, Page 123 to 127)	28.21	42.23
Reimbursement of Expenses on Personnel Deputed to the Company	14.77	14.05
Payment to Contractors	29.51	26.84
Staff Welfare Expenses	63.17	62.55

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
	476.73	471.38

Note 27 : Finance Costs

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Interest Expense on borrowings	146.53	160.01
On Income Tax Demand	6.57	-
	153.10	160.01
Other borrowing costs	1.48	0.74
Less : Interest recovered on related currency swaps	34.13	36.12
Less : Interest capitalised (Refer Footnote)	15.25	12.64
	105.20	111.99

Footnote:

The Company has capitalised the Interest cost on borrowings relating to assets in Capital Work in Progress.

Note 28 : Other Operating and General Expenses.

(i) Operating Expenses consist of the following :

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Linen and Room Supplies	28.62	27.12
Catering Supplies	16.68	18.46
Other Supplies	3.67	3.98
Fuel, Power and Light	157.25	132.92
Repairs to Buildings	25.86	25.74
Repairs to Machinery	28.50	26.07
Repairs to Others	19.26	18.05
Linen and Uniform Washing and Laundry Expenses	10.12	9.00
Payment to Orchestra Staff, Artistes and Others	21.00	21.74
Guest Transportation	15.28	14.86
Travel Agents' Commission	20.90	17.52
Discount to Collecting Agents	17.94	18.78
Other Operating Expenses	33.35	31.70
	398.43	365.94

Linen, Room, Catering and Other Supplies Consumed

	March 31,2013		March 31, 2012	
	₹ crores	%	₹ crores	%
Imported	4.46	9.11	5.34	10.77
Indigenous	44.51	90.89	44.22	89.23
	48.97	100.00	49.56	100.00

(ii) General Expenses consist of the following:

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Rent	39.86	37.72
Licence Fees	127.69	119.11
Rates and Taxes	29.04	26.98
Insurance	7.18	7.98
Advertising and Publicity	84.40	79.67
Printing and Stationery	7.05	7.07

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Passage and Travelling	10.52	11.25
Provision for Doubtful Debts (Refer Footnote (v))	0.70	0.99
Professional Fees	36.23	38.00
Outsourced Support Services	31.02	22.01
Exchange Loss (Net)	0.51	-
Loss on Sale of Fixed Assets (Net)	0.40	0.86
Loss on Sale of Investment (Net)	-	0.01
Payment made to Statutory Auditors (Refer Footnote (iv))	2.67	2.30
Directors' Fees and Commission	1.86	2.50
Other Expenses (Refer Footnote (iii))	53.08	56.16
	432.21	412.61
	830.64	778.55

Footnotes:

(i) Expenditure recovered from other parties :

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Fuel, Power and Light	3.54	3.09
Repairs to Buildings	0.22	0.17
Repairs to Machinery	0.01	0.01
Linen and Uniform Washing	1.27	1.80
Rent	0.52	0.28
Other Expenses	1.30	1.08
	6.86	6.43

(ii) The following direct expenses incurred during the year and to the extent attributable to construction or renovation of hotel buildings have been capitalised :

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Employee benefits expense	0.96	0.96
License fees	1.11	0.48
Fuel, power and light	0.28	0.24
Depreciation	0.04	0.05
Other expenses (Net)	3.14	2.02
	5.53	3.75

(iii) Other expenses include Advances written off - ₹ 1.57 crores (Previous year- ₹ 0.03 crore) .

(iv) Payment made to Statutory Auditors :

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
As auditors	1.80	1.80
As tax auditors	0.20	0.20
For Company Law matters - ₹ 75,000 (Previous year - ₹ 55,000)	0.01	-
For other services	0.53	0.18
For out-of pocket expenses	0.13	0.12
Service tax on above [Net of credit availed - ₹ 0.33 crore (Previous year - ₹ 0.24 crore)]	-	-
	2.67	2.30

(v) Provision for Doubtful Debts :

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Opening Balance	9.22	9.08
Add : Provision during the year	1.35	0.99
	10.57	10.07
Less : Bad debts written off	1.30	0.56
Less : Provision no longer required, written back	0.65	0.29
Closing Balance	8.62	9.22

Note 29 : Exceptional Items

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Exceptional Items comprises of the following :		
Exchange Gain / (Loss) on long-term borrowings/assets (Refer Footnote)	(9.25)	(8.75)
Settlement of Arbitration Claim (including interest ₹ 17.97 crores)	(23.11)	-
Shortfall of business interruption insurance claim (Taj Mahal Palace, Mumbai)	-	(8.73)
Interest Income net of expenditure on surrender of project	-	11.37
Provision for Diminution in value of long-term investments		
(Refer Note no 15 (iii) and (iv) Page 115)	(373.00)	-
Provision for Obligation of an Associate	(27.55)	-
	(432.91)	(6.11)

Footnote:

Exchange difference on revaluation of long-term foreign currency monetary items.

Note 30 : Contingent Liabilities (to the extent not provided for):

(a) On account of Income Tax matters in dispute :

In respect of tax matters for which Company's appeals are pending - ₹ 60.12 crores (Previous year - ₹ 27.34 crores). The said amounts have been paid / adjusted and will be recovered as refund if the matters are decided in favour of the Company.

(b) On account of other disputes in respect of :

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Entertainment tax	0.03	0.53
Sales tax /VAT	7.70	7.37
Property tax	10.98	8.60
Stamp Duty	0.60	0.60
Service Tax	7.35	7.03
Others	1.96	1.83

The Company is a defendant in various legal actions and a party to claims which arose during the ordinary course of business. The Company's management believes based on the facts presently known, that the results of these actions will not have a material impact on the Company's financial statements.

(c) In a hotel on land under license agreement, there is a demand for increased lease rentals with effect from 2006-07 amounting to ₹ 194.85 crores (Previous year ₹ 161.26 crores) plus interest thereon. The Company has disputed this enhanced lease rental and filed a suit in the High Court and taken out a Notice of Motion, inter alia, for a stay against any further proceedings by the licensor pending resolution of dispute by the Court. The Company has been legally advised that the demand is not sustainable as it is not in accordance with the judgment of the Supreme Court. The Company does not expect any additional liability in this regard.

In some hotels, proposed revisions in property taxes are contested by the Company, amounts of which are indeterminate.

(d) Guarantees / Letter of Comfort given by the Company in respect of loans obtained by other companies and outstanding as on March 31, 2013 - ₹ 868.68 crores (Previous year - ₹ 670.05 crores).

Note 31 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 173.75 crores (Previous year -₹ 89.73 crores).

Note 32 : Other Commitments

(a) The Company owns 19.90% of the issued share capital of Lands End Properties Private Limited (LEPPL), a Company owning 67% interest in the Hotel Sea Rock Property through its wholly-owned subsidiary. Sky Deck Properties & Developers Private Limited (SDPDPL). During the year, LEPPL has refinanced loan of ₹ 400 crores and accrued premium by raising a fresh debt of ₹ 521 crores through issuance of Zero coupon Non-Convertible Debentures, redeemable at a premium having a yield to maturity of 10%. LEPPL has a call option on this borrowing to redeem such Debentures on February 13, 2014 or February 13, 2015 with an additional redemption premium of 0.5% and 0.15% of nominal value respectively. However, the call option can only be exercised with prior written consent from the Company. In respect of such debentures issued by LEPPL, the Company has : -

(i) the first right to purchase the entire shareholding of SDPDPL held by LEPPL for an aggregate value of ₹ 693.45 crores; or

(ii) the obligation to make good the value of the shortfall if lenders of LEPPL realise an amount lower than the redemption amount, on sale of the shares of SDPDPL in case the right referred in (i) above is not exercised.

(b) The Company had given an option to certain shareholders of ELEL Hotels & Investment Ltd. (ELEL), a company having an underlying lease of the Hotel Sea Rock Property as under: -

(i) Shareholders holding 5,26,854 shares in ELEL would have had an option to sell these shares to the Company upon the achievement and fulfilment of certain conditions. The intent states that the option would have been exercisable by the shareholders at a predetermined price, based on the obligations actually fulfilled by the holders of these shares. The holders of these shares are entitled to exercise this Put option on July 1, 2013 or January 1, 2014 or July 1, 2014. In parallel, the Company also has an option to purchase these shares at the same price on September 1, 2013 or April 1, 2014 or September 1, 2014.

(ii) Given the non-fulfilment of conditions as at date as well as the uncertainty in achieving these conditions going forward, the resolution of this Put/ Call option with respect to timing, price and resultant liability remains indeterminate.

(c) The Company has given letters of support in case of select subsidiaries and associate companies during the year.

Note 33 : Operating Lease

The Company has taken certain vehicles, flats and immovable properties on operating lease. The total lease rent paid on the same is included under Rent and Licence Fees forming part of Other Expenses.(Refer Note 28 (ii). Page 119). The minimum future lease rentals payable in respect of non-cancellable leases entered into after April 1,2001 to the extent of minimum guarantee amount are as follows : -

Particulars	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Not later than one year	16.14	16.02
Later than one year but not later than five years	54.13	57.62
Later than five years	314.59	326.22

Note 34 : Derivative Instruments and Unhedged Foreign Currency Exposure :

The Company uses forward exchange contracts, interest rate swaps, currency swaps and options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows : -

(a) Derivative Instruments outstanding :

Nature of Derivative	March 31, 2013		March 31, 2012	
	US $ million	₹ crores	US $ million	₹ crores
Option Contract	-	-	30.00	141.47
Libor Cap	-	-	30.00	-
Interest Rate Swap	63.34	-	63.34	-

The above excludes cross currency interest rate swaps referred to in footnote to Note 4, Page 104.

(b) Unhedged Foreign currency exposure receivable/(payable):

Currency	March 31, 2013	March 31, 2012
United States Dollar (Million)*	(76.92)	(106.92)

* Net of notional amount of US $ 186.38 million (Previous year - US $ 186.38 million) as cross currency interest rate swaps referred to in footnote to Note 4, Page 104.

Note 35 : Foreign Currency Monetary Item Translation Difference Account

The Company has exercised the option granted vide notification No. G.S.R.225(E) dated March 31, 2009, issued by the Ministry of Corporate Affairs and subsequent Notification No G.S.R.378(E) (F.No17/133/2008-CL.V) dated May 11, 2011 and Amendment Notification No G.S.R.914(E) dated December 29, 2011 incorporating the new paragraph 46(A) relating to Accounting Standard (AS-11) The Effects of Changes in Foreign Exchange Rates' and accordingly, the exchange differences arising on revaluation of long-term foreign currency monetary items for the year ended March 31, 2013 have been accumulated in "Foreign Currency Monetary Item Translation Difference" and amortised over the balance period of such long-term asset or liability, by recognition as income or expense in each of such periods. Foreign currency monetary items outstanding as at March 31, 2013 are accounted as per Company's Policy on Transactions in Foreign Exchange (Refer Note 2(f), Page 100).

Note 36 : Employee Benefit

(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds"(net of recoveries) :

	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Provident Fund	16.10	15.24
Superannuation Fund	4.44	5.94
Total	20.54	21.18

(b) The Company operates post retirement defined benefit plans as follows : -

(i) *Funded:*

- Post Retirement Gratuity.
- Pension to Employees - Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

(ii) *Unfunded:*

- Pension to Executive Directors and Employees - Post retirement minimum guaranteed pension scheme for certain retired executive directors and certain categories of employees, which is unfunded.

- Post Employment Medical Benefits to qualifying employees.
- Post Employment Compensated Absence Benefit for certain categories of employees.

(c) Pension Scheme for Employees :

The Company has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as NIL.

(d) Defined Benefit Plans - As per Actuarial Valuation on March 31, 2013 : -

(i) Amount to be recognised in Balance Sheet and movement in Net Liability

	Gratuity Funded ₹ crores	Post Employment Benefits (Compensated Absence) ₹ crores	Post Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfunded ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
Present Value of Funded Obligations	140.65	11.72	-	-	-	5.12
	133.73	*11.06*	-	-	-	*4.08*
Present Value of Unfunded Obligations	-	-	2.86	9.88	1.85	-
	-	-	*2.62*	*5.69*	*1.71*	-
Fair Value of Plan Assets	(143.08)	-	-	-	-	(6.59)
	(128.90)	-	-	-	-	*(6.14)*
Unrecognised Past Service Cost	-	-	-	-	-	(1.52)
	-	-	-	-	-	*(1.90)*
Adjustment to Plan Asset	-	-	-	-	-	0.50
	-	-	-	-	-	*0.70*
Net (Asset)/ Liability	(2.44)	11.72	2.86	9.88	1.85	(2.49)
	4.83	*11.06*	*2.62*	*5.69*	*1.71*	*(3.26)*

(ii) Expenses recognised in the Statement of Profit & Loss

	Gratuity Funded ₹ crores	Post Employment Benefits (Compensated Absence) ₹ crores	Post Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfundec ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
Current Service Cost	7.50	14.42	0.03	0.43	-	0.11
	6.77	-	-	*0.63*	-	*0.12*
Interest Cost	11.13	0.88	0.22	0.49	0.13	0.32
	9.02	-	*0.05*	*0.43*	*0.13*	*0.33*
Expected return on Plan Assets	(8.99)	_	_	_	_	(0.42)
	(8.03)	-	-	-	-	*(0.37)*
Actuarial Losses/ (Gain) recognised in the year	(1.20)	(0.87)	0.12	3.27	0.42	0.70

	Gratuity Funded ₹ crores	Post Employment Benefits (Compensated Absence) ₹ crores	Post Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfundec ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
	14.75	-	*(0.04)*	*0.80*	*0.22*	*(0.43)*
Past service Cost	-	-	-	-	-	0.38
	-	-	-	-	-	-
Effect of the limit on Plan Asset	-	-	-	-	-	(0.20)
	-	-	-	-	-	*0.35*
Expense	8.43	14.43	0.37	4.19	0.55	0.89
	22.51	-	*0.01*	*1.86*	*0.35*	-

Footnote : Amount taken to Statement of Profit and Loss in respect of gratuity (Previous year - ₹ 1.46 crores) is net of recovery ₹ 1 .65 crores

(iii) Reconciliation of Defined Benefit Obligation

	Gratuity Funded ₹ crores	Post Employment Benefits (Compensated Absence) ₹ crores	Post Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfunded ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
Opening Defined Benefit Obligation	133.73	11.06	2.62	5.69	1.71	4.08
	112.72	-	*0.73*	*5.11*	*1.75*	*4.19*
Current Service Cost	7.50	14.42	0.03	0.43	-	0.11
	6.76	-	*1.91*	*0.63*	-	*0.12*
Interest Cost	11.13	0.88	0.22	0.49	0.13	0.32
	9.02	-	*0.05*	*0.43*	*0.13*	*0.33*
Actuarial Losses/(Gain)	5.66	(0.87)	0.12	3.27	0.42	0.63
	14.18	-	*(0.04)*	*0.80*	*0.22*	*(0.53)*
Benefits Paid	(17.36)	(13.77)	(0.13)	-	(0.41)	(0.02)
	(8.95)	-	*(0.03)*	*(1.28)*	*(0.39)*	*(0.03)*
Closing Defined Benefit Obligation	140.65	11.72	2.86	9.88	1.85	5.12
	133.73	*11.06*	*2.62*	*5.69*	*1.71*	*4.08*

(iv) Reconciliation of Fair Value of Plan Assets

	Gratuity Funded ₹ crores	Post Employment Benefits (Compensated Absence) ₹ crores	Post Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfunded ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
Opening Fair Value of Plan Assets	128.90	-	-	-	-	6.14
	112.39	-	-	-	-	*5.24*
Expected return on Plan Assets	8.99	-	-	-	-	0.42
	8.03	-	-	-	-	*0.37*
Actuarial (Gain) /	6.05	-	-	-	-	(0.07)

	Gratuity Funded ₹ crores	Post Employment Benefits (Compensated Absence) ₹ crores	Post Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfunded ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
Losses						
	(0.57)	-	-	-	-	*0.32*
Contribution by Employer	16.50	13.77	0.13	-	0.41	0.12
	18.00	-	*0.03*	*1.28*	*0.39*	*0.24*
Benefits Paid	(17.36)	(13.77)	(0.13)	-	(0.41)	(0.02)
	(8.95)	-	*(0.03)*	*(1.28)*	*(0.39)*	*(0.03)*
Closing Fair Value of Plan Assets	143.08	-	-	-	-	6.59
	128.90	-	-	-	-	*6.14*
Expected Employer's contribution next year	5.00	2.02	0.23	0.93	0.47	-
	5.00	-	*0.21*	*0.93*	*0.39*	-

(v) Description of Plan Assets (Managed by an Insurance Company)

	Gratuity Funded	Post Employment Benefits (Compensated Absence)	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Government of India Securities	32%	-	-	-	-	35%
	9%	-	-	-	-	*41%*
Corporate Bonds	51%	-	-	-	-	57%
	77%	-	-	-	-	*54%*
Equity	16%	-	-	-	-	-
	13%	-	-	-	-	-
Others	1%	-	-	-	-	8%
	1 %	-	-	-	-	*5%*
Grand Total	100%	-	-	-	-	100%
	100%	-	-	-	-	*100%*

(vi) Actuarial Assumptions

	Gratuity Funded	Post Employment Benefits (Compensated Absence)	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.)	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%
	8.60%	-	*8.60%*	*8.60%*	*8.60%*	*8.60%*
Expected Rate of Return on Assets (p.a.)	7.50%	-	-	-	-	7.50%
	7.50%	-	-	-	-	*7.50%*
Salary Escalation Rate (p.a.)	5.00%	5.00%	-	5.00%	4.00%	-
	6.00%	-	-	*6.00%*	*4.00%*	-

	Gratuity Funded	Post Employment Benefits (Compensated Absence)	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Mortality Table *						
Mortality in service	Table 1	-	Table 1	Table 1	NA	NA
	LIC (1994-96)		*LIC (1994-96)*	*LIC (1994-96)*	NA	NA
Mortality in retirement	NA	-	Table 2	NA	Table 2	Table 2
	NA	-	*Table 2*	*NA*	*Table 2*	*Table 2*

* Table 1 - Indian Assured Lives Mortality (2006-08) Ult table

Table 2 - UK Published PA (90) annuity rated down by 4 years

(vii) *Effect of Change in Assumed Health Care Cost*

	1 % Increase ₹ *crores*	1% Decrease ₹ *crores*
Effect on the aggregate of service cost and interest cost		
(1 % increase - ₹48,651 (Previous year - ₹49,753))	-	-
(1 % Decrease - ₹ (42,691) (Previous year - ₹ 43,426))	-	-
Effect of defined benefit obligation	0.06	(0.05)
	0.06	*(0.05)*

(viii) *Experience Adjustments*

	2012-13 ₹ crores	2011-12 ₹ crores	2010-11 ₹ crores	2009-10 ₹ crores	2008-09 ₹ crores
Defined Benefit Obligation	172.08	158.89	124.50	106.89	106.07
Plan Assets	149.68	135.04	117.63	98.94	71.84
Deficit	(22.38)	(23.85)	(6.87)	(7.95)	(34.23)
Experience Adjustment on Plan Liabilities	14.96	20.08	3.88	1.97	10.55
Experience Adjustment on Plan Assets	6.24	(0.25)	(0.19)	7.61	(7.87)

Footnote : Figures in italics under (i) to (vii) are of the Previous year.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Note 37 : CIF Value of imports

Particulars	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Raw Materials (Food and Beverages)	8.84	8.84
Stores, Supplies and Spare Parts for Machinery	5.32	10.49
Capital Goods	18.02	27.93

Note 38 : Earnings in Foreign Exchange

Particulars	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Rooms, Restaurants, Banquets and Other Services	727.20	713.60
Interest received	0.73	0.69

The earnings in foreign exchange, as reported above, are on the basis of actual receipts during the year.

Note 39 : Expenditure in Foreign Exchange

Particulars	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Membership Fees	7.33	5.19
Advertising	43.08	48.51
Professional and Consultancy Fees	9.68	21.20
Interest	25.41	14.12
Others	32.98	24.02

Note 40 : Remittance in Foreign Currencies for dividend to non-resident shareholders

The Company has not remitted any amount in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by / on behalf of non-resident shareholders. The particulars of dividend paid to non-resident shareholders during the year, are as under:

Particulars	March 31,2013	March 31, 2012
Year to which dividend relates	2011-12	2010-11
Numbers of non-resident shareholders	2,984	2,878
Number of Ordinary Shares held by non-resident shareholders	5,787,643	5,459,777
Gross amount of dividend (₹ crore)	0.57	0.54
Net amount of dividend (₹ crore)	0.57	0.54

Note 41 :

The Company, on a review of its foreign operations had, in the past, made voluntary disclosures to the appropriate regulator, of what it considered to be possible irregularities, in relation to foreign exchange transactions relating to the period prior to 1998. Arising out of such disclosures, the Company received show cause notices. The Company has replied to the notices and is waiting for the directorate to return its files, after which it will complete the replies. Adjudication proceedings are in progress.

Note 42 :

Deposits and Advances in the nature of loans to Subsidiaries, Jointly Controlled Entities and Associates : -

Particulars	Maximum amount outstanding during the year ₹ crores	Balance Outstanding as on March 31, 2013 ₹ crores	Maximum amount outstanding during the previous year ₹ crores	Balance Outstanding as on March 31, 2012 ₹ crores
Subsidiaries				
IHMS Inc.	119.86	-	217.42	-
Taj International Hotels (H.K) Ltd.*	1,148.67	1,105.56	2,043.20	1,041.46
Roots Corporation Ltd.	-	-	4.15	-
Jointly Controlled Entities				
IHMS Hotels (SA) (Proprietary) Ltd.	-	-	45.51	-
Taj Karnataka Hotels & Resorts Ltd.	5.35	5.35	5.35	5.35
TAL Hotels & Resorts Ltd.	8.46	8.15	7.99	7.68

Particulars	Maximum amount outstanding during the year ₹ crores	Balance Outstanding as on March 31, 2013 ₹ crores	Maximum amount outstanding during the previous year ₹ crores	Balance Outstanding as on March 31, 2012 ₹ crores
(repayment beyond 7 years)				
Taj GVK Hotels & Resorts Ltd.	5.00	5.00	5.00	5.00
Taj Safaris Ltd.	-	-	1.00	-
Associates				
Oriental Hotels Ltd.	-	-	8.00	-
Taida Trading and Industries Ltd.	8.04	8.04	8.04	8.04

* There is no repayment schedule and no interest is payable

Note 43 : Related Party Disclosure

(a) The names of related parties of the Company are as under:

(i) Company having substantial interest

Name of the Company	Country of Incorporation
Tata Sons Ltd.	India

(ii) Subsidiary Companies

Name of the Company	Country of Incorporation
Domestic	
TIFCO Holdings Ltd.	India
Residency Foods & Beverages Ltd.	India
KTC Hotels Ltd.	India
United Hotels Ltd.	India
Taj SATS Air Catering Ltd.	India
Roots Corporation Ltd.	India
Taj Enterprises Ltd.	India
Taj Trade and Transport Co. Ltd.	India
Benares Hotels Ltd.	India
Inditravel Ltd.	India
Piem Hotels Ltd.	India
Northern India Hotels Ltd.	India
Taj Rhein Shoes Co. Ltd.	India
Ideal Ice & Cold Storage Co. Ltd.	India
International	
Samsara Properties Ltd.	British Virgin Islands
Apex Hotel Management Services (Pte) Ltd.	Singapore
Chieftain Corporation NV	Netherlands Antilles
IHOCO BV	Netherlands
St. James Court Hotel Ltd.	United Kingdom
Taj International Hotels Ltd.	United Kingdom
IHMS (Australia) Pty. Ltd.	Australia
International Hotel Management Services Inc.	United States of America
Taj International Hotels (H.K.) Ltd.	Hong Kong
PIEM International (H.K.) Ltd.	Hong Kong

(iii) Jointly Controlled Entities

Name of the Company	Country of Incorporation
Domestic	
Taj Madras Flight Kitchen Pvt. Ltd.	India
Taj Karnataka Hotels & Resorts Ltd.	India
Taj Kerala Hotels & Resorts Ltd.	India
Taj GVK Hotels & Resorts Ltd.	India
Taj Safaris Ltd.	India
Kaveri Retreats and Resorts Ltd.*	India
International	
TAL Hotels & Resorts Ltd.	Hong Kong
IHMS Hotels (SA) (Proprietary) Ltd.	South Africa

(iv) Associates

Name of the Company	Country of Incorporation
Domestic	
Oriental Hotels Ltd.	India
Taj Madurai Ltd.	India
Taida Trading & Industries Ltd.	India
International	
Lanka Island Resort Ltd.	Sri Lanka
TAL Lanka Hotels PLC	Sri Lanka
BJETS Pte Ltd., Singapore	Singapore

(v) Key Management Personnel

	Relation
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs

* Became jointly controlled entity with effect from April 1, 2012

(b) Details of related party transactions during the year ended March 31, 2013 and outstanding balances as at March 31, 2013:

Particulars	Company having substantial interest ₹ crores	Key Management Personnel ₹ crores	Subsidiaries ₹ crores	Associates ₹ crores	Joint Ventures ₹ crores
Interest paid / provided	-	-	2.79	-	-
	-	-	*2.39*	-	-
Interest received / accrued	-	-	0.01	0.72	1.22
	-	-	*0.02*	*0.65*	*1.15*
Dividend received	3.60	-	9.18	1.66	2.86
	3.60	-	*7.36*	*2.82*	*3.91*
Dividend paid	19.67	0.01	0.34	0.15	-
	14.87	-	*0.34*	-	-
Operating / Licence fees paid	-	-	0.45	-	-
	-	-	*0.45*	-	-
Operating fees received / accrued	-	-	39.37	23.43	22.73
	-	-	*37.19*	*22.69*	*25.58*
Purchase of goods and services	-	-	21.21	0.14	0.04
	3.12	-	*20.90*	*1.23*	*0.37*
Sale of goods and services	3.13	0.02	6.04	0.02	0.03
	1.82	-	*5.89*	*1.04*	*1.42*
Allotment of Shares	497.47	-	-	-	-

Particulars	Company having substantial interest ₹ crores	Key Management Personnel ₹ crores	Subsidiaries ₹ crores	Associates ₹ crores	Joint Ventures ₹ crores
	-	-	-	-	-
ICD Raised	-	-	305.75	-	-
	-	-	*116.75*	-	-
ICD Repaid	-	-	285.75	-	-
	-	-	*91.75*	-	-
ICD Placed	-	-	2.50	-	4.90
	-	-	-	*16.04*	*1.25*
ICD Encashed	-	-	2.50	-	-
	-	-	*4.15*	*10.75*	*1.25*
Purchase of Shares	-	-	784.51	-	-
	-	-	*473.20*	*6.80*	-
Shareholders' Deposit placed	-	-	120.91	-	-
	-	-	*1056.85*	-	*0.39*
Share Application money paid	-	-	-	-	0.47
	-	-	-	-	-
Shareholders' Deposits converted into Equity / Share Application Money (Refer Footnote (ii))	-	-	119.47		-
	-	-	*665.03*	-	*42.00*
Paid on Account of Debenture Redemption	-	-	-	-	-
	-	-	*3.95*	*0.43*	-
Remuneration paid/ payable (Refer Footnote (iii) and (iv))	-	15.64	-	-	-
	-	*12.90*	-	-	-
Transfer of Project	-	-	-	-	-
	-	-	*10.87*	-	-
Guarantees / Letter of Comfort given on behalf(net) (Refer Note 30(d), Page 121)	-	-	43.44	-	115.40
	-	-	*251.58*	-	-
Balances outstanding at the end of the year					
Trade Receivables	0.96		11.25	11.47	12.86
	0.24	-	*8.06*	*8.95*	*17.32*
Trade Payables	2.85	-	1.15	0.07	0.03
	2.45	-	*0.71*	*0.01*	-
Due from / (to) on Current A/c	-	-	(6.53)	(0.80)	(2.25)
	0.29	-	*13.34*	*(0.33)*	*1.76*
Interest Receivable	-	-	4.10	1.21	2.88
	-	-	-	-	-
Other Recoverable	-	-	1.45	1.74	2.06
	-	-	*2.50*	*1.44*	*2.50*
Interest accrued but not due	-	-	0.31	-	-
	-	-	-	-	-
ICD Payable	-	-	45.00	-	-
	-	-	*25.00*	-	-
ICD Receivable	-	-	-	-	4.90
	-	-	-	-	-
Deposits (Net)	-	-	1106.17	16.19	23.40
	-	-	*1016.79*	*8.04*	*18.03*

Particulars	Company having substantial interest ₹ crores	Key Management Personnel ₹ crores	Subsidiaries ₹ crores	Associates ₹ crores	Joint Ventures ₹ crores
Guarantees / Letter of Comfort given on behalf (Refer Note 30(d), Page 121)	-	-	733.08		115.40
	-	-	*650.05*	-	-

Footnotes :

(i) Figures in italics are of the Previous year.

(ii) Represent investing activities which has not involved cash flows.

(iii) Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole.

(iv) Includes commission approved by shareholders.

(c) Statement of Material Transactions

Name of the Company	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Company having substantial interest		
Tata Sons Ltd.		
Allotment of Shares	497.47	-
Dividend Received	3.60	3.60
Dividend Paid	19.67	14.87
Purchase of goods and services	-	3.12
Sale of goods and services	3.13	1.82
Trade Payables	2.85	2.45
Remuneration to Key Management Personnel		
Raymond N. Bickson	10.33	8.06
Anil P. Goel	2.17	2.13
Abhijit Mukerji	1.99	1.90
Subsidiaries		
TIFCO Holdings Ltd.		
Interest Paid / Provided	0.76	0.38
Purchase of goods and services	0.40	-
ICD raised during the year	68.25	46.75
ICD repaid during the year	88.25	26.75
KTC Hotels Ltd.		
Operating / Licence Fees Paid	0.45	-
Dividend Received	2.42	-
Due on current account (Net) - Receivable / (Payable)	(1.65)	-
United Hotels Ltd.		
Dividend Received	-	2.01
Taj Sats Air Catering Ltd.		
ICD Placed during the year	2.50	-
ICD Encashed during the year	2.50	-
Purchase of goods and services	1.34	-
Due on current account (Net) - Receivable / (Payable)	-	2.02
Other Recoverable	0.49	1.37
Roots Corporation Ltd.		
ICD Encashed during the year	-	4.15
Taj Trade & Transport Co. Ltd.		

Name of the Company	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
Dividend paid	0.09	-
Sale of goods and services	2.54	1.74
Piem Hotels Ltd.		
Interest Paid / Provided	1.79	1.73
Dividend Received	4.44	3.52
Operating / Licence Fees Received	26.96	26.18
Purchase of goods and services	-	2.09
Sale of goods and services	1.27	2.58
Due on current account (Net) - Receivable / (Payable)	(10.45)	7.32
Other Recoverable	0.79	0.73
Trade Payables	-	0.52
Trade Receivables	6.47	-
ICD raised during the year	204.00	50.00
ICD repaid during the year	159.00	50.00
ICD closing position - Payable	45.00	-
Interest accrued but not due	0.31	-
Deposit given outstanding	0.48	-
Paid on Account of Debenture Redemption	-	3.84
Transfer of Project	-	10.87
Inditravel Ltd.		
Interest Paid / Provided	-	0.25
Dividend paid	0.03	-
Purchase of goods and services	8.79	7.60
Sale of goods and services	1.70	-
Trade Payables	0.85	-
ICD raised during the year	29.50	18.50
ICD repaid during the year	34.50	13.50
International Hotel Management Services Inc.		
Due on current account (Net) - Receivable / (Payable)	5.74	8.57
Purchase of shares	119.47	217.42
Shareholder’s deposit placed	120.89	137.20
Deposit Encashed	119.47	217.42
Interest Receivable	4.10	-
Purchase of goods and services	8.25	7.26
Taj International Hotels (H.K.) Ltd.		
Purchase of shares	665.03	255.78
Shareholder’s deposit placed	-	919.65
Deposit Closing Position - Receivable	1102.19	1,041.46
Share application Money Paid to	-	665.03
Deposit Encashed	-	920.82
Jointly Controlled Entities		
Taj GVK Hotels & Resorts Ltd.		
Interest received / accrued	0.35	0.35
Dividend Received	2.40	3.20
Due on current account (Net) - Receivable / (Payable)	(1.98)	-
Other Recoverable	0.56	1.10
Operating/Licence Fees Received	15.26	18.17
Trade Receivables	5.95	9.48
Deposit given outstanding	5.00	5.00
Taj Karnataka Hotels & Resorts Ltd.		
Due on current account (Net) - Receivable	1.44	2.16
Deposit given outstanding	5.35	5.35
Interest Receivable	1.52	-
TAL Hotels & Resorts Ltd.		
Interest received / accrued	0.73	0.69
Deposit Closing Position - Receivable	8.15	7.67

Name of the Company	March 31,2013 ₹ crores	March 31, 2012 ₹ crores
IHMS Hotels (SA) (Proprietary) Ltd.		
Share application Money Paid to	0.47	-
Due on current account (Net) - Receivable	0.96	-
Kaveri Retreat & Resorts Ltd.		
ICD Placed during the year	4.90	-
ICD Closing position - Receivable	4.90	-
Associates		
Taida Trading & Industries Ltd.		
Interest received / accrued	0.72	0.62
Interest Receivable	1.21	-
Dividend paid	0.02	-
Due on current account (Net) - Receivable	1.03	1.59
ICD Placed during the year	-	8.04
ICD Closing Position - Receivable	8.04	8.04
Oriental Hotels Ltd.		
Dividend Received	1.52	2.70
Operating / Licence Fees Received	23.43	22.69
Sale of goods and services	-	1.04
Trade Receivables	9.07	8.95
Due on current account (Net) - Receivable	(2.20)	-
ICD Placed during the year	-	8.00
ICD Encashed during the year	-	8.00

Footnote : Transaction with related party excludes, recovery of spends on their behalf.

Note 44:

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Accounting Standard 17 - 'Segmental Information' (AS-17) notified by the Companies (Accounting Standards) Rules, 2006 (as amended). There is no geographical segment to be reported since all the operations are undertaken in India.

Note 45 :

In compliance with Accounting Standard 27 - 'Financial Reporting of Interests in Joint Ventures' - (AS-27), notified by the Companies (Accounting Standards) Rules, 2006 (as amended), the Company has interests directly or through its Subsidiaries in the following Jointly Controlled Entities :

Name of the Company	Country of Incorporation	Holding (%)	Amount of Interest based on the Audited Accounts for the year ended March 31, 2013					
			Assets ₹ crores	Liabilities ₹ crores	Income ₹ crores	Expenditure ₹ crores	Contingent Liabilities ₹ crores	Capital Commitment ₹ crores
Taj Safaris Ltd.	India	35.10	9.20	8.08	6.15	7.52	0.28	0.01
		33.47	*9.09*	*8.59*	*5.46*	*6.82*	*0.49*	
Taj GVK Hotels &	India	25.52	171.44	83.40	64.88	62.64	2.87	0.15
Resorts Ltd.		*25.52*	*157.93*	*71.20*	*65.32*	*57.83*	5.01	*0.70*
Taj Karnataka Hotels &	India	44.27	4.07	7.11	2.43	2.52	-	0.02
Resorts Ltd.		*44.27*	*3.91*	*6.87*	*2.09*	*2.21*		*0.04*
Taj Kerala Hotels &	India	28.30	19.18	4.19	11.17	10.99	0.86	0.16
Resorts Ltd.		*28.30*	*19.51*	*4.37*	*10.99*	*10.45*	*0.85*	*0.38*
Kaveri Retreats &	India	50.00	48.96	29.77	3.72	9.83	1.04	0.32
Resorts Ltd [1]		-	-	-	-	-	-	-
Taj Madras Flight	India	50.00	22.12	2.22	13.21	12.11	11.86	0.30
Kitchen Pvt. Ltd.		*50.00*	*21.39*	*2.59*	*13.84*	*13.33*	*12.02*	*0.08*
TAL Hotels & Resorts	Hong Kong	27.49	161.17	51.10	68.89	58.09	0.02	0.86
Ltd.		*27.49*	*151.45*	*58.97*	*64.53*	*54.90*	*0.01*	*0.43*

1 Became Jointly Controlled Entity with effect from April 1, 2012

Name of the Company	Country of Incorporation	Holding (%)	Amount of Interest based on the Audited Accounts for the year ended March 31, 2013					
			Assets ₹ crores	Liabilities ₹ crores	Income ₹ crores	Expenditure ₹ crores	Contingent Liabilities ₹ crores	Capital Commitment ₹ crores
IHMS Hotels (SA) (Proprietary) Ltd.	South Africa	50.00 *50.00*	144.24 *97.04*	139.94 *65.47*	4.43 *4.28*	31.35 *16.05*	-	0.03

Footnote : Figures in the italics relate to the Previous year

Note 46 : Earnings per Share (EPS):

Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earnings Per Share' - (AS-20), notified by the Company's (Accounting Standards) Rules, 2006 (as amended).

Particulars	March 31, 2013	March 31, 2012
Profit / (Loss) after tax - (₹ crores)	(276.61)	145.35
Number of Ordinary Shares	80,74,72,787	75,94,72,787
Weighted Average Number of Ordinary Shares	79,66,89,225	75,94,72,787
Face Value per Ordinary Share (₹)	1	1
Earnings Per Share - (₹) Basic and Diluted	(3.47)	1.91*

* Since the exercise price of the Warrants issued by the Company was more than the fair value of the Ordinary Shares, and thereby being anti-dilutive in nature, these Warrants were not considered for the calculation of Diluted Earnings Per Share.

Note 47 :

The Company has regrouped / reclassified the previous year figures to conform to the current year's presentation.

For and on behalf of the Board

Cyrus P. Mistry	Chairman
R. K. Krishna Kumar	Vice - Chairman
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs
Deepak Parekh	Director
Jagdish Capoor	Director
Nadir Godrej	Director
Guy Lindsay Macintyre Crawford	Director
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 30, 2013

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF THE INDIAN HOTELS COMPANY LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **THE INDIAN HOTELS COMPANY LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associates referred to in paragraph 6 below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;

   (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and

   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

5. We draw attention to footnote (ii) to Note. 15 to the consolidated financial statements which describe the uncertainty related to the carrying value of investments in Orient Express Hotels Limited. Our opinion is not qualified in respect of this matter.

Other Matter

6. We did not audit the financial statements of twenty six subsidiaries (including step down subsidiaries) and five jointly controlled entities, whose financial statements reflect total assets (net) of ₹ 5,544.53 crores as at 31st March, 2013, total revenues of ₹ 1,606.13 crores and net cash flows amounting to ₹ 18.39 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 1.37 crores for the year ended 31st March, 2013, as considered in the consolidated financial statements, in respect of six associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No.39826)

MUMBAI, May 30, 2013

AUDITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	Note	**March 31, 2013 ₹ crores**	March 31, 2012 ₹ crores
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	**80.75**	75.61
Reserves and Surplus	4	**2,898.53**	2,893.72
Money received against Share Warrants	3(iii)	**-**	124.37
		2,979.28	3,093.70
Minority Interest		**707.72**	646.90
Non-current Liabilities			
Long-term Borrowings	5	**3,431.18**	3,083.78
Deferred Tax Liabilities (net)	6	**128.79**	130.18
Other Long-term Liabilities	8	**76.22**	76.61
Long-term Provisions	9	**695.98**	604.03
		4,332.17	3,894.60
Current Liabilities			
Short-term Borrowings	10	**247.67**	170.02
Trade Payables		**319.96**	313.90
Other Current Liabilities	11	**574.63**	965.43
Short-term Provisions	12	**135.13**	147.59
		1,277.39	1,596.94
Total		**9,296.56**	9,232.14
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	13	**5,342.48**	5,173.02
Intangible Assets	14	**40.46**	43.07
Capital Work-in-Progress		**400.57**	330.88
Intangible Assets Under Development		**20.93**	20.52
		5,804.44	5,567.49
Goodwill on Consolidation (net)		**512.83**	489.51
Non-current Investments	15	**1,522.61**	1,841.15
Deferred Tax Assets (net)	7	**4.45**	2.49
Long-term Loans and Advances	16	**476.42**	431.90
Other Non-current Assets	17	**26.49**	52.30
		8,347.24	8,384.84
Current Assets			
Current Investments	18	**40.69**	62.75
Inventories	19	**96.74**	86.35
Trade Receivables	20	**273.98**	290.38
Cash and Bank Balances	21	**210.06**	159.72
Short-term Loans and Advances	22	**256.04**	181.18
Other Current Assets	23	**71.81**	66.92
		949.32	847.30
Total		**9,296.56**	9,232.14
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the Consolidated Financial Statements	1 - 44		

In terms of our report attached.	For and on behalf of the Board	
For Deloitte Haskins & Sells	Raymond N. Bickson	Managing Director
Chartered Accountants		
	Anil P. Goel	Executive Director - Finance
Sanjiv V. Pilgaonkar		
Partner	Abhijit Mukerji	Executive Director - Hotel Operations
Mumbai, May 30, 2013	Beejal Desai	Vice President - Legal & Company Secretary

TAJ Hotels Resorts and Palaces

AUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note	**March 31, 2013 ₹ crores**	March 31, 2012 ₹ crores
Income			
Rooms, Restaurants, Banquets and Other Operating Income	24	**3,743.36**	3,443.52
Other Income	25	**60.16**	71.38
Total		**3,803.52**	3,514.90
Expenditure			
Food and Beverages Consumed		**381.55**	362.57
Employee Benefit Expenses and Payment to Contractors	26	**1,271.75**	1,148.77
Finance Costs	27	**170.74**	212.47
Depreciation and Amortisation Expenses	13	**288.42**	255.07
Other Operating and General Expenses	28	**1,552.42**	1,386.93
Total		**3,664.88**	3,365.81
Profit Before Tax and Exceptional Items		**138.64**	149.09
Exceptional Items Gain / (Loss)	29	**(430.43)**	(1.52)
Profit Before Tax		**(291.79)**	147.57
Tax Expense			
Current Tax		**91.47**	86.77
Deferred Tax		**22.55**	70.50
Minimum Alternate Tax Credit		**(1.37)**	(35.84)
Short / (Excess) Provision of Tax of earlier years (Net)		**(13.69)**	0.32
Total		**98.96**	121.75
Profit / (Loss) After Tax		**(390.75)**	25.82
Profit attributable to Minority Interest		**(40.86)**	(38.40)
Share of Profit of Associates		**1.37**	15.64
Profit / (Loss) After Tax		**(430.24)**	3.06
Earnings Per Share -	42		
Basic and Diluted - (₹)		**(5.40)**	0.04
Face Value per Ordinary share - (₹)		**1.00**	1.00
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the Consolidated Financial Statements	1 - 44		

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, May 30, 2013

For and on behalf of the Board

Raymond N. Bickson — Managing Director

Anil P. Goel — Executive Director - Finance

Abhijit Mukerji — Executive Director - Hotel Operations

Beejal Desai — Vice President - Legal & Company Secretary

AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Note	**March 31, 2013 ₹ crores**	March 31, 2012 ₹ crores
Cash Flow From Operating Activities			
Net Profit / (Loss) Before Tax		**(291.79)**	147.57
Adjustments For :			
Depreciation and Amortisation		**288.42**	255.07
(Profit) / Loss on sale of investments		**(14.70)**	0.08
Profit on sale of Hotel unit		**-**	(11.40)
Loss on sale of Assets		**4.22**	4.36
Expenditure on discontinued project written off		**-**	3.82
Settlement of Claims in case of a subsidiary		**-**	1.02
Interest income on surrender of project		**-**	(14.45)
Shortfall of business interruption insurance claim (TMPT)		**-**	5.71
Provision for Doubtful Debts and Advances		**7.80**	5.92
Dividend Income		**(14.60)**	(18.05)
Interest Income		**(19.04)**	(19.74)
Finance Cost		**170.74**	212.47
Unrealised Exchange Loss		**8.95**	5.31
Miscellaneous Expenditure written off		**2.39**	-
Reversal of Liabilities		**(8.55)**	-
Provision for Loyalty Programmes (net of Redemptions)		**(0.36)**	0.83
Provision for Stock		**0.13**	-
Provision for Diminution in value of Investment		**373.50**	(0.67)
Provision for obligation of an Associate		**27.55**	-
Provision for Contingencies		**(0.26)**	5.87
Provision for Employee Benefits		**8.91**	2.11
		835.10	438.26
Cash Operating Profit before working capital changes		**543.31**	585.83
Adjustments For :			
Trade and Other Receivables		**(9.18)**	(49.68)
Inventories		**(9.79)**	(12.29)
Trade and Other Payables		**69.73**	82.25
		50.76	20.28
Cash Generated from Operating Activities		**594.07**	606.11
Direct Taxes Paid		**(92.30)**	(71.88)
Net Cash From Operating Activities (A)		**501.77**	534.23
Cash Flow From Investing Activities			
Purchase of Fixed Assets		**(425.09)**	(320.23)
Sale of Fixed Assets		**2.35**	59.25
Purchase of Investments (including advance paid)		**(5.98)**	(115.45)
Acquisition / Sale of a Subsidiaries		**-**	(55.34)
Profit on Sale of Investments		**-**	0.58
Sale of Investment		**21.14**	-
Proceeds from Sale / Redemption of Current Investments		**22.06**	672.90
Interest Received		**21.20**	75.27
Dividend Received		**17.71**	27.12
Deposits Refunded by / (Placed with) Other Companies		**-**	(2.80)
Bank Balances not considered as Cash & Cash Equivalents		**14.31**	(53.67)
Long-term Deposits refunded by Other Companies		**0.81**	50.71
Short-term Loans repaid by Other Company		**-**	18.41
Deposits Refunded by / (Placed with) Other Companies		**(15.76)**	7.77
Net Cash Used In Investing Activities (B)		**(347.25)**	364.52

	Note	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Cash Flow From Financing Activities			
Debenture Issue / Loan arrangement costs		**(1.94)**	(16.15)
Proceeds from issue of Ordinary Shares		**373.10**	-
Interest Paid		**(188.25)**	(278.68)
Repayment of Long-term Loans and Debentures		**(624.27)**	(2,074.98)
Proceeds from Long-term Loans and Debentures		**366.87**	1,285.49
Short-term Loans Raised/(Repaid) (Net)		**16.98**	19.00
Long-term Trade Deposits Raised/(Repaid)		**(0.25)**	(0.08)
Proceeds from issue of Equity Shares to Minority Interest by a Subsidiary		**50.00**	100.00
Dividend Paid (Including tax on dividend)		**(109.56)**	(87.04)
Net Cash Used In Financing Activities (C)		**(117.32)**	(1,052.44)
Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)		**37.20**	(153.69)
Cash and Cash Equivalents - Opening - 1st April		**84.57**	134.96
Impact of Change in Stake in JV		**0.44**	-
Adjustments on Acquistions		**-**	90.67
Adjustment for Translation of Foreign Currency Balances		**1.39**	12.63
Cash and Cash Equivalents - Closing - 31st March		**123.60**	84.57
Footnotes :			
1. Reconciliation of Cash and Cash Equivalents with Cash and Bank Balances as per the Balance Sheet			
Cash and Cash Equivalents as above		**123.60**	84.57
Add : Other Cash and Bank Balances			
Call and Short-term Deposits		**88.75**	86.85
Deposits pledged with others		**1.34**	1.60
Margin money deposits		**5.48**	4.42
Earmarked balances		**11.79**	22.08
Cash and Bank Balances as per the Balance Sheet		**230.96**	199.52
Less : Classified as Non-current (Refer Note 17, Page 161)		**20.90**	39.80
Cash and Bank Balances classified as Current (Refer Note 21, Page 161)		**210.06**	159.72
2. The Group through its Jointly Controlled Entity have accquired "Good Hope Palace Hotels (Pty) Ltd." for which no cash flow were involved.			
The accompanying notes form an integral part of the Consolidated Financial Statements	1 - 44		

In terms of our report attached.	For and on behalf of the Board	
For Deloitte Haskins & Sells	Raymond N. Bickson	Managing Director
Chartered Accountants		
	Anil P. Goel	Executive Director - Finance
Sanjiv V. Pilgaonkar		
Partner	Abhijit Mukerji	Executive Director - Hotel Operations
Mumbai, May 30, 2013	Beejal Desai	Vice President - Legal & Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note 1. Basis of consolidation

(a) The consolidated financial statements relate to The Indian Hotels Company Ltd. ("the Company"), its subsidiaries, jointly controlled entities and associates. The Company, its subsidiaries and jointly controlled entities together constitute "the Group". The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard 21 'Consolidated Financial Statements', as notified by the Companies (Accounting Standards) Rules, 2006 (as amended).

(ii) In the case of foreign subsidiaries and foreign jointly controlled entities, revenue items are consolidated at the average exchange rate prevailing during the year. The opening balance in the Statement of Profit and Loss and the opening balance in Reserves and Surplus have been converted at the rates prevailing as at the respective Balance Sheet dates. All assets and liabilities as at the year end are converted at the rates prevailing as on that date. Any exchange difference arising on consolidation is shown under Foreign Currency Translation Reserve.

(iii) Investments in Associate Companies have been accounted for under the equity method as per Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements', as notified by the Companies (Accounting Standards) Rules, 2006 (as amended).

(iv) Interests in Jointly Controlled Entities have been accounted for by using the proportionate consolidation method as per Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures', as notified by the Companies (Accounting Standards) Rules, 2006 (as amended).

(v) The financial statements of subsidiaries, jointly controlled entities and associates consolidated are drawn upto the same reporting date as that of the Company except in the case of an Associate Company where the financial statements have been drawn upto December 31, 2012.

(vi) The excess of cost to the Group of its investment in the subsidiaries and jointly controlled entities over the Group's portion of equity as at the date of making the investment is recognised in the financial statements as Goodwill on consolidation.

(vii) The excess of the Group's share in equity of each subsidiary, jointly controlled entity and associates over the cost of the acquisition at the date on which the investment is made, is recognised as Capital Reserve on Consolidation and included as Reserves and Surplus under Shareholders' Equity in the Consolidated Balance Sheet.

(viii) Goodwill

- Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.
- Goodwill arising from the acquisition of associates is included in the carrying value of the investment in associates.
- Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Statement of Profit and Loss.
- Goodwill on acquisition of the foreign subsidiaries are restated at the rate prevailing at the end of the year.

(ix) Minority Interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in subsidiary companies are made and further movement in their share in the equity, subsequent to the dates of investment.

(b) The list of subsidiaries, jointly controlled entities and associates, which are included in the consolidation with their respective country of incorporation and the Group's holding therein, is given below: -

(i) **Subsidiary Companies**

	Country of Incorporation	**As at March 31, 2013**		As at March 31, 2012	
		Directly by Parent or through its subsidiaries Holding (%)	**Effective Holding (%)**	Directly by Parent or through its subsidiaries Holding (%)	Effective Holding (%)
Domestic					
Benares Hotels Ltd.	India	**53.70**	**51.68**	53.70	51.68
Ideal Ice & Cold Storage Co. Ltd.	India	**55.00**	**47.43**	55.00	47.43
Inditravel Ltd	India	**96.67**	**77.19**	96.67	77.19
KTC Hotels Ltd.	India	**100.00**	**100.00**	100.00	100.00
Northern India Hotels Ltd.	India	**93.14**	**48.03**	93.14	48.03
Piem Hotels Ltd.	India	**51.57**	**51.57**	51.57	51.57
Residency Foods & Beverages Ltd.	India	**100.00**	**99.36**	100.00	99.36
Roots Corporation Ltd.	India	**66.93**	**63.25**	71.55	67.62
Taj Enterprises Ltd.	India	**90.59**	**74.70**	90.59	74.70
Taj Rhein Shoes Co. Ltd.	India	**92.50**	**71.63**	92.50	71.63
Taj SATS Air Catering Ltd.	India	**51.00**	**51.00**	51.00	51.00
Taj Trade & Transport Ltd.	India	**89.51**	**72.73**	89.51	72.73
TIFCO Holdings Ltd.	India	**100.00**	**100.00**	100.00	100.00
TIFCO Security Services Ltd.	India	**100.00**	**100.00**	100.00	100.00
United Hotels Ltd.	India	**55.00**	**55.00**	55.00	55.00
International					
Apex Hotel Management Services (Pte) Ltd.	Singapore	**100.00**	**100.00**	100.00	100.00
Chieftain Corporation NV	Netherlands Antilles	**100.00**	**100.00**	100.00	100.00
IHMS (Australia) Pty. Ltd.	Australia	**100.00**	**100.00**	100.00	100.00
IHOCO BV	Netherlands	**100.00**	**100.00**	100.00	100.00
International Hotel Management Services Inc. and its Limited Liability companies(IHMS Inc.)	United States of America	**100.00**	**100.00**	100.00	100.00
Piem International (H.K.) Ltd.	Hong Kong	**100.00**	**51.57**	100.00	51.57
Samsara Properties Ltd.	British Virgin Islands	**100.00**	**100.00**	100.00	100.00
St. James Court Hotel Ltd.	United Kingdom	**89.39**	**72.25**	89.39	72.25
Taj International Hotels (H.K.) Ltd.	Hong Kong	**100.00**	**100.00**	100.00	100.00
Taj International Hotels Ltd.	United Kingdom	**100.00**	**100.00**	100.00	100.00

Footnotes :

(i) Investments in the following subsidiaries are held for disposal.

- BAHC 5 Pte Ltd.
- Premium Aircraft Leasing Corporation Ltd.

(ii) **Jointly Controlled Entities**

	Country of Incorporation	As at March 31, 2013		As at March 31, 2012	
		Directly by Parent or through its subsidiaries Holding (%)	Effective Holding (%)	Directly by Parent or through its subsidiaries Holding (%)	Effective Holding (%)
Domestic					
Taj Madras Flight Kitchen Pvt. Ltd.	India	**50.00**	**50.00**	50.00	50.00
Taj Karnataka Hotels & Resorts Ltd.	India	**49.41**	**44.27**	49.41	44.27
Taj Kerala Hotels & Resorts Ltd.	India	**28.30**	**28.30**	28.30	28.30
Taj GVK Hotels & Resorts Ltd.	India	**25.52**	**25.52**	25.52	25.52
Taj Safaris Ltd.	India	**39.89**	**35.10**	36.57	33.47
Kaveri Retreat & Resorts Ltd. (Refer Footnote (i))	India	**50.00**	**50.00**	-	-
International					
TAL Hotels & Resorts Ltd.	Hong Kong	**28.26**	**27.49**	28.26	27.49
IHMS Hotels (SA)(Pty) Ltd.	South Africa	**50.00**	**50.00**	50.00	50.00
(iii) Associates					
Domestic					
Oriental Hotels Ltd. (Refer Footnote (i))	India	**37.05**	**35.67**	37.05	35.67
Taj Madurai Ltd.	India	**26.00**	**26.00**	26.00	26.00
Taida Trading and Industries Ltd. (Refer Footnote (ii))	India	**48.74**	**34.76**	48.74	34.76
Kaveri Retreat & Resorts Ltd. (Refer Footnote (iii))	India	**-**	**-**	50.00	50.00
International					
BJets Pte Ltd., Singapoore (Refer Footnote (ii) & (iv))	Singapore	**45.69**	**45.69**	61.54	45.69
Lanka Island Resorts Ltd.	Sri Lanka	**24.66**	**24.66**	24.16	24.16
TAL Lanka Hotels PLC	Sri Lanka	**24.62**	**24.62**	24.62	24.62

Footnotes :

(i) Including 5.40% (Previous year 5.40%) of the shares held in the form of Global Depository Receipts (GDR).

(ii) The carrying amount of the investment has been reported at NIL value, as the Group's share of losses exceeds the cost / carrying value.

(iii) Kaveri Retreat and Resorts Ltd. has become Jointly Controlled Entity with effect from April 1, 2012.

(iv) Audited financial statement as at December 31, 2012 has been considered for the purpose of Consolidation.

(c) The following amounts are included in the Financial Statements in respect of the Jointly Controlled Entities based on the proportionate consolidation method prescribed in the Accounting Standard relating to ‘Financial Reporting of Interests in Joint Ventures’ (AS 27) as notified by the Companies (Accounting Standards) Rules, 2006 (as amended). (Post Elimination):-

	March 31, 2013 ₹ cores	March 31, 2012 ₹ crores
Assets		
Fixed Assets (including CWIP)	**391.75**	308.94
Non-current Investments	**14.14**	9.52
Deferred Tax Assets (Net)	**2.49**	-
Other Non-current Assets	**69.14**	59.53
Current Assets	**68.96**	80.37
Liabilities		
Non-current Liabilities	**186.63**	119.80
Deferred Tax Liability (Net)	**12.44**	24.33
Current Liabilities	**77.76**	64.63
Contingent Liabilities	**13.70**	13.28
Capital Commitments	**1.82**	1.66
Income		
Income from Operations	**188.34**	169.08
Other Income	**2.21**	2.15
Expenses		
Food & Beverages Consumed	**20.85**	19.58
Employee Benefit Expenses	**47.04**	38.24
Depreciation	**21.42**	18.01
Finance Cost	**15.41**	10.92
Other Operating & General Expense	**84.11**	69.42
Tax Expenses		
Tax Expenses	**1.09**	4.80

Note 2. Significant Accounting Policies

The financial statements are prepared under the historical cost convention, on an accrual basis and comply with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006 (as amended). The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are as under:-

(a) Revenue Recognition :

Revenue from sale of rooms, food and beverages, allied services relating to hotel operations, including net income from telecommunication services and management and operating fees is recognised upon rendering of the service.

Revenue from in-flight catering and institutional catering of food and beverages and other allied services rendered to airlines and other institutions are recognised, net of trade discounts, deductions and cost reimbursements, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of food and beverages to airlines and other customers Sales include excise duty but exclude sales tax and value added tax.

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

(b) Export Benefits Entitlement :

Benefits arising in the nature of Duty Free Scrips are recognised upon the actual utilisation of Duty Credit Scrips for the purchase of Fixed Assets and Inventories and are adjusted against the cost of the related assets.

(c) Employee Benefits :

(i) Defined Contribution Schemes

i. Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the period. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

ii. Others

Employee benefits arising out of contributions towards Provident Fund and Family Pension Scheme to Regional Provident Fund Commissioner or the Central Provident Commissioner and Social Security etc. paid/ payable during the year are recognised in the Statement of Profit and Loss.

The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligation therein, based on an independent external actuarial valuation carried out at the Balance Sheet date.

Certain international subsidiaries operate a defined contribution pension scheme and the pension charge represents the amounts paid/payable by them to the Fund.

(ii) Gratuity Fund

The Company makes annual contributions to funds administered by the trustees for amounts notified by the funds. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(iii) Post-Retirement Benefits

The net present value of the Company's obligation towards post retirement pension scheme for retired whole time directors and post employment medical benefits to qualifying employees is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(iv) Superannuation

The Company has a defined contribution plan, wherein it annually contributes a sum equivalent to the employee's eligible annual basic salary to a fund administered by the trustees. The Company recognises such contributions as an expense in the year in which they are incurred.

The Company also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(v) Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation, carried out at the Balance Sheet date.

(vi) Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

(d) Fixed Assets :

Fixed assets are stated at cost less depreciation/amortisation and impairment losses, if any. Cost includes expenses incidental to the installation of assets and attributable borrowing costs.

(e) Depreciation and Amortisation :

(i) Depreciation :

Indian Entities

Depreciation on assets is provided at the rates as specified in Schedule XIV to the Companies Act, 1956. In respect of Leasehold Land, depreciation is provided from the date the land is put to use for commercial operations, over the balance period of the lease. The renewal of these leases is considered as certain in view of past experience for the purpose of depreciation of building on leased property. In respect of Improvements to Buildings, depreciation is provided @ 6.67% based on its useful life.

In respect of some of the subsidiaries depreciation is provided under the written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, amounts in respect of which are not material.

International Entities

Assets are depreciated based on the estimated useful life determined by the Management of the respective Subsidiaries, whereof the average rates of depreciation for each category are equal to or higher than the rates prescribed in Schedule XIV to the Companies Act, 1956. In respect of improvements in the nature of structural changes and major refurbishment to Buildings occupied on lease, depreciation is provided for over the period of the lease subject to minimum rates prescribed as per Schedule XIV to the Companies Act, 1956.

(ii) Amortisation :

Intangible assets are amortised on a straight-line basis at rates specified below:

Asset Classification	Rate
Leasehold Property Rights	6.67%*
Website Development Cost	20.00%
Cost of Customer Reservation System (including licensed software)	10.00 to 16.67%
Management Contract Acquisition Costs	5.00% to 33.33%**
Service & Operating Rights (Included in Management Contract)	10.00%
Non-Compete Fees	14.29%
Lease Acquisition Cost of Jointly Controlled Entity	5.00%
Brand	10.00%
* Over the term of the lease.	
** Based on the terms of the Contract.	

(f) Foreign Currency Translation :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. In case of Group, with respect to long-term foreign currency monetary items that have not been hedged, from April 1, 2011 onwards, the Group has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset;
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long-term asset / liability;

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

Hedge Accounting

In accordance with its risk management policy, the Group has entered into cross currency swap transactions with a view to convert its Indian Rupee borrowings into foreign currency borrowings. To the extent the Company has designated the foreign currency component (and ignoring the impact of interest) of the swap contracts as hedging instruments in a net investment hedging relationship applying hedge accounting principles (prior to the revision of Accounting Standard (AS) 11 on “The Effects of Changes in Foreign Exchange Rates” by notification no. G.S.R.914(E) dated December 29, 2011), the exchange difference arising on translation of the borrowing so converted into a foreign currency liability, at the Balance Sheet date, that are designated and are effective hedges is recognised directly in the “Hedge Reserve” account under “Reserve and Surplus” (Refer Note 4, Page 152) and the ineffective portion is recognised immediately into the Statement of Profit and Loss. Hedge Accounting is discontinued when the hedging instrument expires or is exercised or cancelled or no longer qualifies for hedge accounting.

Translation of Foreign Operations

Exchange differences on a monetary item that is receivable from or payable to foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future which, in substance, forms a part of the Company’s net investment in that foreign operation, are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment. Upon disposal, such accumulation in the Foreign Currency Translation Reserve, or in the case of partial disposal, proportionate share of the related accumulated exchange difference, is recognised as income or as expense in the Statement of Profit and Loss. For this purpose, partial settlement of a monetary item is considered to be a partial disposal.

The financial statements of integral foreign operations are translated using the principles and procedures as if the transactions of the foreign operations are those of the Company itself.

(g) Derivative Instruments :

Exchange differences arising on repayment/revaluation of derivative contracts, entered into in respect of some of the Group's underlying borrowings, are recognised as income or expense, as the case may be, in the period in which they arise. Interest rate derivatives are accounted based on an underlying benchmark for the relevant period.

(h) Impairment of Assets :

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount on these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flow to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised.

(i) Assets taken on lease :

Operating Lease payments are recognised as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease.

Assets taken on finance lease in one of the subsidiaries and a jointly controlled entity are capitalised as tangible fixed assets. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in borrowings net of the finance charge allocated to future periods. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives.

(j) Inventories :

Stock of Food and Beverages and Stores and Operating Supplies are carried at cost (computed on a Weighted Average basis) or Net Realisable Value, whichever is lower. In respect of three subsidiaries and two Jointly Controlled Entities, Stock of Food & Beverages and Stores & Operating Supplies are valued at cost on FIFO basis. All other inventories are valued at the lower of Cost and Net Realisable Value.

(k) Investments :

(i) Non-current investments are carried at cost. Provision is made for diminution in value, other than temporary, on an individual basis.

(ii) Current investments are carried at the lower of cost and fair value, determined on a category-wise basis.

(l) Taxes on income :

(i) Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between the taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of timing differences is recognised as a deferred tax asset or deferred tax liability. The tax effect is calculated on accumulated timing differences at the end of the accounting year, based on effective tax rates substantively enacted by the Balance Sheet date.

(ii) Current tax assets and Current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(iii) Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date. In situations where the Group has unabsorbed depreciation and carried forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits. Deferred Tax assets are reviewed at each Balance Sheet date for their realisability.

(iv) Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay current income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(m) Government Grants:

Government grants are recognised on the basis of reasonable certainty. Capital grants relating to specific assets are reduced from the gross value of the respective fixed assets.

(n) Accounting for Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised in terms of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), notified by the Companies (Accounting Standards) Rules, 2006 (as amended), when there is a present legal obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognised in the financial statements.

(o) Borrowing Costs :

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Debenture issue costs and the premium on redemption of debentures are adjusted against the available Securities Premium Account in accordance with the provisions of section 78 of the Companies Act, 1956. All other borrowing costs (other than on cross currency interest rate swap which are recognised in the Statement of Profit and Loss in the period in which they accrue) are charged to Statement of Profit and Loss over the tenure of the borrowing.

The Company enters into interest rate swap contracts to manage interest risk on borrowings. These contracts are held till maturity of the underlying borrowings. Interest is accounted in the period in which it accrues.

Note 3 : Share Capital

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Authorised Share Capital		
Ordinary Shares		
100,00,00,000 Ordinary Shares of ₹ 1/- each	**100.00**	100.00
Preference Shares		
1,00,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	**100.00**	100.00
	200.00	200.00
Issued Share Capital		
80,74,89,291 (Previous year - 75,94,89,291) Ordinary Shares of ₹ 1 /- each	**80.75**	75.95
	80.75	75.95
Subscribed and Paid Up		
80,74,72,787 (Previous year - 75,60,77,117) Ordinary Shares of ₹ 1 /- each. Fully Paid (Refer Footnotes (ii), (v) and (vi))	**80.75**	75.61
	80.75	75.61

Footnotes :

(i) The Company has one class of Ordinary Shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of an interim dividend. In the event of liquidation, the equity (ordinary) shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year March 31, 2013 the amount of per share dividend recognised as distribution to equity shareholder was ₹ 0.80 (Previous year - ₹ 1/-)

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2013		March 31, 2012	
	No. of shares	**₹ crores**	No. of shares	₹ crores
As at the beginning of the year	**75,60,77,117**	**75.61**	75,94,72,787	75.95
Add : Issued during the year	**4,80,00,000**	**4.80**	-	-
Less : Cancellation of Ordinary Shares owned by Subsidiaries on Consolidation (Refer Footnote (vii))	**-**	**-**	33,95,670	0.34
Add : Sale of Shares owned by Subsidiaries (Refer Footnote (vii))	**33,95,670**	**0.34**	-	-
As at the end of the year	**80,74,72,787**	**80.75**	75,60,77,117	75.61

(iii) On December 23, 2010, the Company had issued on preferential basis 4,80,00,000 Warrants to Tata Sons Ltd. at a price of ₹ 103.64 per warrant with a right exercisable by the warrant holder to subscribe to one Ordinary share of the face value of ₹ 1 each per warrant which option was exercisable after April 1, 2011, but not later than 18 months from the date of issue of the warrants . The Company had received ₹ 124.37 crores, as 25% advance against the warrants at the time of issue of the warrants .The Company has received the balance 75% application/allotment monies amounting to ₹ 373.10 crores on June 22, 2012 and pursuant to the above the Company has alloted 4,80,00,000 Ordinary shares of face value of ₹ 1 each at a premium of ₹ 102.64 per share to Tata Sons Ltd. on preferential basis. The equity shares issued as aforesaid are eligible to dividend of ₹ 1/- per share for the year 2011/12.

(iv) Shareholders holding more than 5% shares in the Company :

	March 31, 2013		March 31, 2012	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Equity share of ₹ 1/- each fully paid				
Tata Sons Limited	**20,20,52,004**	**25.02**	14,87,21,334	19.58
Life Insurance Corporation of India	**7,68,79,324**	**9.52**	7,68,79,324	10.12
Sir Dorabji Tata Trust	**5,02,21,040**	**6.22**	5,02,21,040	6.61

(v) Aggregate number of Ordinary shares issued for consideration other than cash and shares issued on conversion of Foreign Currency Convertible Bonds during the period of five years immediately preceeding the year March 31, 2013:

	March 31, 2013 No. of shares	March 31, 2012 No. of shares
Shares allotted as fully paid shares, pursuant to amalgamation of Gateway Hotels & Getaway Resorts Limited and Indian Resort Hotels Limited with the Company.	-	1,62,19,670
Shares issued as fully paid shares, pursuant to exercise of option for conversion by holders of Foreign Currency Convertible Bonds.	-	903

(vi) 16,504 (Previous year - 16,504) Ordinary Shares have been issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.

(vii) Shares owned by the subsidiaries which were sold during the year, were aquired by them prior to their becoming subsidiaries.

Note 4 : Reserves and Surplus

	March 31, 2013 ₹ crores	**March 31, 2012 ₹ crores**
Capital Reserve		
Opening and Closing Balance	**43.97**	43.97
Capital Reserve on Consolidation		
Opening Balance	**95.77**	-
Add : Due to dilution of stake in a subsidiary	**16.87**	95.77
Closing Balance	**112.64**	95.77
Capital Redemption Reserve		
Opening Balance	**10.59**	1.12
Add : Due to acquisition of new subsidiaries	**-**	9.47
Closing Balance	**10.59**	10.59
Securities Premium Reserve		
Opening Balance	**1,667.09**	1,668.80
Add : On allotment of shares on Warrant (Refer Note 3 Footnote (iii). Page 151)	**492.67**	-
Less : Provision for Premium payable on redemption of Debentures (net of tax)	**(63.66)**	-
Less : Issue expenses written off (net of tax)	**(0.96)**	(1.71)
Closing Balance	**2,095.14**	1,667.09
Revaluation Reserve		
Opening Balance	**47.29**	28.49
Add : Share in Revaluation Reserves of an associate company	**-**	17.84
Less : Depreciation transferred during the year	**(1.54)**	(1.18)
Add : Foreign Exchange fluctuation for the year (net)	**-**	2.14
Closing Balance	**45.75**	47.29
Reserve Fund (In terms of Section 45-IC of the Reserve Bank of India Act,1934)		
Opening Balance	**31.35**	29.00
Add : Transferred from Surplus in Statement of Profit and Loss	**2.25**	2.35
Closing Balance	**33.60**	31.35

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Debenture Redemption Reserve		
Opening and Closing Balance	**440.97**	440.97
Investment Reserve		
Opening and Closing Balance	**5.00**	5.00
Investment Allowance Utilised Reserve		
Opening and Closing Balance	**4.03**	4.03
Export Profits Reserve		
Opening and Closing Balance	**0.41**	0.41
Hedge Reserve (Refer Footnote)		
Opening Balance	**(118.22)**	-
Add / (Less) : Exchange translation for the year	**(58.68)**	(118.22)
Closing Balance	**(176.90)**	(118.22)
Foreign Currency Translation Reserve		
Opening Balance	**439.62**	84.56
Add / (Less): Transferred to Statement of Profit and Loss on disposal of net investments	**-**	(1.11)
Add/(Less): Foreign Exchange fluctuation for the year (net)	**169.17**	356.17
Closing Balance	**608.79**	439.62
Unamortised Foreign Currency Monetary Item Translation Difference		
(Refer Note 37, Page 170)		
Opening Balance	**9.21**	-
Add / (Less) : Exchange translation difference for the year	**(44.02)**	0.46
Add / (Less) : Transferred to Statement of Profit and Loss on amortisation	**9.25**	8.75
Closing Balance	**(25.56)**	9.21
Foreign Exchange Earnings Utilised Reserve		
Opening Balance	**-**	2.28
Less : Transferred to General Reserve	**-**	(2.28)
Closing Balance	**-**	-
General Reserve		
Opening Balance	**557.59**	515.08
Add : Transferred from Surplus in Statement of Profit and Loss	**5.28**	26.75
Add : Transferred from Foreign Exchange Earnings Utilised Reserve	**-**	2.28
Add : Due to acquisition of new subsidiaries	**-**	13.48
Less : Due to change in Associate reserves	**(0.27)**	-
Closing Balance	**562.60**	557.59
Surplus in Statement of Profit and Loss		
Opening Balance	**(340.95)**	(253.58)
Add : Net Profit / (Loss) for the current year	**(430.24)**	3.06
Add / (Less) : Adjustment on account of change in stake of Jointly Controlled Entities / Subsidiary	**(2.63)**	(1.85)
Add : Adjustment on account of change in stake of Associates of earlier years	**-**	1.65
Add : Due to acquisition of new subsidiaries	**-**	27.14
Less : Transfer to General Reserve	**(5.28)**	(26.75)
Less : Transfer to Reserve Fund	**(2.25)**	(2.35)
Less : Dividend paid for previous year	**(4.80)**	-
Less : Proposed Dividend	**(64.60)**	(75.95)
Less : Tax on Dividend	**(11.75)**	(12.32)
Closing Balance	**(862.50)**	(340.95)
	2,898.53	2,893.72

Footnote :

The Company has adopted hedge accounting principles to account for hedging of loans extended to subsidiaries forming a part of the Company's net investment in non-integral foreign operations. Effectively, the Company had partially converted its rupee borrowings into foreign currency borrowings, using cross-currency swap derivative instruments, so as to cover the foreign currency fluctuations of its investments in overseas subsidiaries and the foreign currency borrowings.

On application of the hedge accounting policy, the foreign currency translation differences of both, the hedging instrument (i.e. the borrowings) and the hedged item (i.e. the net assets in non-integral foreign operation), are recognised under Reserves and Surplus having due consideration to hedge effectiveness. Accordingly, the translation difference on the borrowings amounting to ₹ 58.68 crores for year ended March 31, 2013 (Previous year ₹ 118.22 crores) forming the effective portion of the hedge has been recognised in the Hedge Reserve Account in the Balance Sheet, whilst the corresponding translation differences of the net investment in non-integral foreign operation of ₹ 62.67 crores for the year ended March 31, 2013 (Previous year ₹ 202.86 crores) has been recognised under "Foreign Currency Translation Reserve Account" in the Balance Sheet.

Note 5 : Long-term Borrowings

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Debentures		
Secured	**939.80**	968.50
Unsecured	**809.07**	581.68
	1,748.87	1,550.18
Term Loans		
From Banks		
Secured	**1,161.82**	1,030.46
Unsecured	**515.90**	486.20
	1,677.72	1,516.66
From Others		
Unsecured	**0.86**	4.87
	0.86	4.87
	1,678.58	1,521.53
Fixed Deposits		
Unsecured	**-**	-
From Shareholders	**-**	0.60
	-	0.60
Other Loans and Advances		
Unsecured	**2.97**	11.29
	2.97	11.29
Long-term maturities of finance lease obligations		
Long-term maturities of finance lease obligations	**0.76**	0.18
	0.76	0.18
	3,431.18	3,083.78

Footnote :

(i) Details of Borrowings as at:

	March 31, 2013 ₹ crores		March 31, 2012 ₹ crores	
	Non-Current	**Current**	Non-Current	Current
Debentures	**1,748.87**	**60.00**	1,550.18	90.00
Term Loans from Banks	**1,677.72**	**77.71**	1,516.66	171.06
Term Loans from Others	**0.86**	**-**	4.87	3.00
Fixed Deposits	**-**	**0.60**	0.60	285.40
Other Loans and Advances	**3.73**	**0.48**	11.47	0.02
	3,431.18	**138.79**	3,083.78	549.48
Short-term Borrowings (Refer Note 10, Page 156)	**-**	**247.67**	-	170.02
Total Borrowings	**3,431.18**	**386.46**	3,083.78	719.50

Note 6 : Deferred Tax Liabilities (net)

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Deferred Tax Liabilities :		
Depreciation on Fixed Assets	**336.62**	325.27
Unamortised Borrowing Cost	**2.07**	-
Others	**8.41**	8.41
Total (A)	**347.10**	333.68
Deferred Tax Assets :		
Provision for Doubtful Debts	**6.19**	4.62
Premium on Redemption of Debentures	**148.93**	141.82
Provision for Employee Benefits	**18.35**	14.99
Depreciation on fixed assets (Refer Footnote (i))	**16.54**	18.46
Others	**28.30**	23.61
Total (B)	**218.31**	203.50
Net Deferred Tax Liabilities (A-B) (Refer Footnote (ii))	**128.79**	130.18

Footnotes :

(i) Deferred Tax Asset on unabsorbed depreciation has been recognised by a subsidiary to the extent of deferred tax liability arising on timing difference in respect of depreciation on fixed assets of that entity.

(ii) The net deferred tax liabilities include ₹ NIL (Previous year - ₹ 13.57 crores) for the subsidiaries acquired during the year.

(iii) Deferred Tax Assets of ₹ 25.89 crores (Previous year - ₹ NIL) has been adjusted against Securities Premium Reserve.

Note 7 : Deferred Tax Assets (net)

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Deferred Tax Assets :		
Provision for Doubtful Debts	**1.10**	1.02
Provision for Employee Benefits	**0.46**	0.18
Depreciation on Fixed Assets (Refer Footnote (i))	**3.68**	1.40
Others	**0.26**	0.79
Total (A)	**5.50**	3.39
Deferred Tax Liabilities:		
Depreciation on Fixed Assets	**1.05**	0.90
Total (B)	**1.05**	0.90
Net Deferred Tax Assets (A-B) (Refer Footnote (ii))	**4.45**	2.49

Footnotes :

(i) The net deferred tax assets include ₹ NIL (Previous year - ₹ 1.40 crores) for the subsidiaries acquired during the year.

(ii) Deferred tax assets and deferred tax liabilities of entities within the group have been offset as they relate to the same governing taxation laws.

Note 8 : Other Long-term Liabilities

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Creditors for capital expenditure	**4.02**	3.76

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Deposits from others		
Secured (Refer Note 15 Footnote (iii). Page 160)	**71.10**	71.10
Unsecured	**0.85**	1.13
Others	**0.25**	0.62
	76.22	76.61

Note 9 : Long-term Provisions

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Provision For Employee Benefits (Refer Note 39, Page 170 to 173)	**41.36**	43.64
Provision – Others		
Premium on Redemption of Debentures	**654.50**	560.27
Provision for Contingencies (Refer Footnote)	**0.12**	0.12
	654.62	560.39
	695.98	604.03

Footnote :

Provision for contingencies on standard assets has been made by a subsidiary engaged in business of non-banking financial services

Note 10 : Short-term Borrowings

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Loans repayable on demand		
From Bank		
Secured (Refer Footnote (i))	**51.75**	36.56
Unsecured	**4.71**	13.83
	56.46	50.39
Other Short-term Loans		
Secured	**-**	1.71
Unsecured (Refer Footnote (ii))	**191.21**	117.92
	191.21	119.63
	247.67	170.02

Footnote :

(i) Secured loans from Bank consist of overdraft facilities. These are secured by hypothecation of operating supplies, stores, food and beverages and receivables.

(ii) Unsecured Short-term loans from other consists of inter-corporate deposits. Commercial paper and other loans.

Note 11 : Other Current Liabilities

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Current maturities of long-term borrowings (Refer Note 5 (i). Page 154)		
Debentures	**60.00**	90.00
Term Loans	**77.71**	174.06
Fixed Deposits	**0.60**	285.40
Finance Lease Obligations	**0.48**	0.02
	138.79	549.48
Payables on Current Account dues	**18.24**	8.93
Deposits	**22.77**	22.54

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Interest accrued but not due on borrowings	**45.59**	43.25
Income received in advance	**20.78**	16.52
Advances collected from customers	**96.44**	99.58
Creditors for capital expenditure	**19.41**	28.63
Unclaimed Dividends	**3.91**	3.74
Unclaimed Share Application Money	**0.13**	0.14
Unclaimed Matured Deposits and interest accrued thereon	**2.68**	2.02
Unclaimed matured debentures and interest accrued thereon ₹ 25,100 (Previous year - ₹ 25,100)	**-**	-
Other Liabilities (Refer Footnote below)	**205.89**	190.60
	574.63	965.43

Footnote :

Other Liabilities include provision for obligation of an Associate ₹ 27.55 crores (Previous year - ₹ NIL).

Note 12 : Short-term Provisions

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Provision for Employees Benefits (Refer Note 39, Page 170 to 173)	**38.05**	26.87
Provision – Others		
Provision for Contingent Claims (Refer Footnote (i))	**3.30**	13.51
Proposed Dividend	**64.60**	75.95
Tax on Dividend	**10.59**	12.32
Loyalty Programmes (Refer Footnote (ii))	**17.18**	17.54
Provision for Tax (net of advances)	**1.41**	1.40
	97.08	120.72
	135.13	147.59

Footnotes :

(i) Provision for Contingencies include :

₹ crores

	Opening Balance	**Addition / (Deduction)**	**Closing Balance**
Legal and Statutory matters	**1.64**	**(0.21)**	**1.43**
	1.12	*0.52*	*1.64*
Contractual matters in the course of business	**10.64**	**(10.00)**	**0.64**
	5.36	*5.28*	*10.64*
Employee related matters	**1.23**	**-**	**1.23**
	0.96	*0.27*	*1.23*
Total	**13.51**	**(10.21)**	**3.30**
	7.44	*6.07*	*13.51*

(a) The above matters are under litigation / negotiation and the timing of the cash flows cannot be currently determined.

(b) Figures in italics are in respect of previous year.

(ii) Details of Provision for Loyalty Programmes :

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Opening Balance	**17.54**	14.58
Add : Due to new subsidiaries	**-**	2.24
Less : Redeemed during the year	**11.33**	9.26

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
	6.21	7.56
Add : Provision for the year	**10.97**	9.98
Closing Balance	**17.18**	17.54

Note 13 : Tangible Assets (Owned, unless otherwise stated)

₹ crores

	Freehold Land	**Leasehold Land**	**Buildings (Refer Footnote (i))**	**Plant and Machinery**	**Furniture & Fixtures (Refer Footnote (ii))**	**Office Equipment (Refer Footnote ii)**	**Vehicles**	**Total**
Gross Block at Cost								
At April 1, 2011	414.39	223.57	3,396.92	1,192.71	649.33	95.36	47.00	6,019.28
Translation Adjustment (Refer Footnote (iii))	35.41	25.41	272.03	9.64	33.93	2.20	0.31	378.93
Addition of new subsidiaries (Refer Footnote (viii))	18.61	14.11	161.49	167.11	64.82	12.06	5.19	443.39
Additions	-	-	121.19	138.76	85.17	10.36	2.30	357.78
Adjustments (Refer Footnote (vii))	-	-	15.58	10.74	4.09	2.48	-	32.89
Disposals	2.94	-	10.10	40.62	16.61	1.04	4.09	75.40
At March 31, 2012	**465.47**	**263.09**	**3,957.11**	**1,478.34**	**820.73**	**121.42**	**50.71**	**7,156.87**
Translation Adjustment (Refer Footnote (iii))	16.57	2.99	94.75	1.14	10.70	1.29	0.16	127.60
Addition on stake change (Refer Footnote (viii))	3.67	-	40.93	11.73	7.49	0.23	0.10	64.15
Additions	1.81	0.05	142.92	77.05	60.67	7.48	4.63	294.61
Disposals	-	-	1.77	14.93	17.91	2.51	0.85	37.97
At March 31, 2013	**487.52**	**266.13**	**4,233.94**	**1,553.33**	**881.68**	**127.91**	**54.75**	**7,605.26**
Depreciation (Refer Footnote (vi))								
At April 1, 2011	3.88	26.56	480.97	551.30	380.14	60.02	25.65	1,528.52
Translation Adjustment (Refer Footnote (iii))	-	3.05	40.73	5.67	20.45	1.18	0.25	71.33
Addition of new subsidiaries (Refer Footnote (viii))	-	1.84	28.66	80.76	36.37	7.93	2.84	158.40
Charge for the year (Refer Footnote (iv) and (v))	-	2.66	94.79	79.00	53.86	13.47	4.06	247.84
Adjustments (Refer Footnote (vii))	-	-	7.19	14.05	11.89	0.72	-	33.85
Disposals	-	-	1.92	34.59	15.16	0.78	3.64	56.09
At March 31, 2012	**3.88**	**34.11**	**650.42**	**696.19**	**487.55**	**82.54**	**29.16**	**1,983.85**
Translation Adjustment (Refer Footnote (iii))	-	0.61	13.74	1.09	6.04	0.72	0.16	22.36
Addition on stake change (Refer Footnote (viii))	-	-	1.36	1.82	5.34	0.08	0.01	8.61
Charge for the year (Refer Footnote (iv) and (v))	-	2.85	107.55	89.38	62.78	12.21	4.51	279.28
Disposals	-	-	0.43	12.63	15.08	2.41	0.77	31.32
At March 31, 2013	**3.88**	**37.57**	**772.64**	**775.85**	**546.63**	**93.14**	**33.07**	**2,262.78**
Net Block								
At March 31, 2012	**461.59**	**228.98**	**3,306.69**	**782.15**	**333.18**	**38.88**	**21.55**	**5,173.02**
At March 31, 2013	**483.64**	**228.56**	**3,461.30**	**777.48**	**335.05**	**34.77**	**21.68**	**5,342.48**

Footnotes :

(i) Gross Block includes buildings constructed on leasehold land and improvements thereto - ₹ 2141.61 crores (Previous year - ₹ 1992.76 crores).

(ii) Furniture, Fixtures and Office Equipments as at the year end include assets on finance lease: Gross Block - ₹ 3.92 crores (Previous year - ₹ 2.58 crores). Accumulated Depreciation - ₹ 2.64 crores (Previous year ₹ 2.58 crores). Depreciation for the year - ₹ 0.04 crore (Previous year - ₹ 0.54 crore).

(iii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".

(iv) Depreciation charge for the year includes ₹ 0.04 crore (Previous year ₹ 0.05 crore) which is capitalised during the year.

(v) Depreciation / Amortisation for the year includes ₹ 1.20 crores (Previous year ₹ 1.22 crores) recouped from Revaluation Reserve.

(vi) Accumulated Depreciation includes adjustment for impairment of ₹ 6.61 crores (Previous year ₹ 6.61 crores) including ₹ 3.88 crores (Previous year ₹ 3.88 crores) on Freehold Land, made in earlier years.

(vii) Adjustments include cost / depreciation adjustments on decapitalisation / recapitalisation of assets on restoration of Taj Mahal Palace, Mumbai, subsequent to receipt of insurance claim during the year.

(viii) Represent the impact of increase / decrease in share of the Group in certain jointly controlled entities for current year and entities which became subsidiaries during Previous year.

Note 14 : Intangible Assets

₹ crores

	Goodwill	Leasehold Property Rights	Website Development Cost	Software (Refer Footnote (i))	Management Contracts	Total
Gross Block at Cost						
At April 1, 2011	-	20.73	8.42	22.53	47.91	99.59
Translation Adjustment (Refer Footnote (ii))	-	1.60	-	0.01	6.98	8.59
Addition of new subsidiaries (Refer Footnote (iii))	4.76	0.01	0.03	1.98	-	6.78
Additions	-	5.98	0.18	3.40	0.10	9.66
Disposals	-	-	4.52	0.03	-	4.55
At March 31, 2012	**4.76**	**28.32**	**4.11**	**27.89**	**54.99**	**120.07**
Translation Adjustment (Refer Footnote (ii))	-	1.14	-	0.03	3.38	4.55
Addition on Stake change (Refer Footnote (iii))	-	-	-	0.28	-	0.28
Additions	-	2.71	0.04	3.20	0.19	6.14
Disposals	-	-	-	0.29	-	0.29
At March 31, 2013	**4.76**	**32.17**	**4.15**	**31.11**	**58.56**	**130.75**
Amortisation						
At April 1, 2011	-	10.73	5.03	9.53	35.92	61.21
Translation Adjustment (Refer Footnote (ii))	-	0.60	-	0.01	5.41	6.02
Addition of new subsidiaries (Refer Footnote (iii))	4.76	-	0.02	1.03	-	5.81
Charge for the year	-	1.46	0.84	3.62	2.58	8.50
Disposals	-	-	4.52	0.02	-	4.54
At March 31, 2012	**4.76**	**12.79**	**1.37**	**14.17**	**43.91**	**77.00**
Translation Adjustment (Refer Footnote (ii))	-	0.31	-	(0.01)	2.69	2.99
Addition of stake change (Refer Footnote (iii))	-	-	-	0.13	-	0.13
Charge for the year	-	2.68	0.82	3.92	2.96	10.38
Disposals	-	-	-	0.21	-	0.21
At March 31, 2013	**4.76**	**15.78**	**2.19**	**18.00**	**49.56**	**90.29**
Net Block						
At March 31, 2012	**-**	**15.53**	**2.74**	**13.72**	**11.08**	**43.07**
At March 31, 2013	**-**	**16.39**	**1.96**	**13.11**	**9.00**	**40.46**

Footnotes :

(i) Software includes Customer Reservation System and Licensed Software.

(ii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".

(iii) Represent assets and accumulated depreciation of certain entities which became subsidiaries during the year. This also includes impact due to increase / decrease in stake in respect of shareholding for certain jointly controlled entities.

Note 15 : Non-current Investments (at cost)

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Trade Investments :		
Equity Investments in Associate Companies (**Refer Note 1(b)(iii), Page 143)** [Includes Goodwill of ₹ 70.80 crores (Previous year - ₹ 75.12 crores) and is net of capital reserve of ₹ 0.68 crore (Previous year - ₹ 0.68 crores) arising on the acquisition of associates]	**251.59**	283.31
Investment in Government Security		
Investments in Shares	**0.02**	0.01
Quoted (Refer Footnote (i) and (ii))	**1,423.50**	1,340.89
Unquoted (Refer Footnote (iii))	**221.09**	217.03
Total Long Term Investments - Gross	**1,896.20**	1,841.24
Less : Provision for Diminution in value of Investments	**373.59**	0.09
Total Long Term Investments – Net	**1,522.61**	1,841.15

Footnotes

(i)	Aggregate of Quoted Investments - Gross	Cost / Carrying value	1,423.50	1,340.89
		Market Value	428.86	414.23

(ii) The Group has made investments in various international hotel assets. In view of the global recessionary trends, the fair values of certain assets have declined. Thus, the Group has felt it prudent to recognise other than temporary diminution in value thereof by ₹ 373.00 crores. The charge to the Statement of Profit and Loss has been classified as an Exceptional Item of the current year. The performance of these investments would be monitored on a periodic basis by the Company and adjustments made to the carrying value thereof, if necessary.

The Group, holds Class A shares in Orient-Express Hotels Ltd. ("Orient-Express"), In pursuit of its long-term strategic growth plans, in October, 2012, the Group communicated its desire to acquire all of the outstanding Class A shares of Orient-Express to the Board of Directors of that company. The Group bid was valued at approximately US $ 1.86 billion (including Orient-Express' existing outstanding debt). The Board of Directors of Orient-Express responded by stating that in their view it was a "highly disadvantageous time to sell" Orient-Express. The Group is reviewing its options in this regard.

(iii) Unquoted Investment, includes Investment in TRIL Infopark Limited for which transfer of shares are restricted due to an option granted for 10 years upto July, 2021 to Tata Realty and Infrastructure Ltd. for repurchase of the shares at par value. Tata Realty and Infrastructure Ltd. has deposited a sum of ₹.71.10 crores as Option Deposit, which shall be adjusted upon exercise of the option or refunded.

Note 16 : Long-term Loans and Advances (Unsecured, considered good unless stated otherwise)

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Capital advances	**62.02**	34.42
Long-term security deposits placed for Hotel Properties	**136.96**	133.97
Deposits with Public Bodies and Others	**43.92**	37.85
Loans and Advances	**69.35**	74.63
Other Loans and Advances		
Advance Income Tax paid (net)	**101.88**	69.71
MAT credit entitlement	**52.85**	69.11
Others	**9.44**	12.21
	164.17	151.03

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
	476.42	431.90

Note 17 : Other Non-Current Assets

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Deposits with Banks (Refer Note 21, Page 162)	**20.90**	39.80
Unamortised borrowing costs (Refer Note 23, Page 162)	**5.10**	11.11
Interest receivable	**0.49**	1.39
	26.49	52.30

Note 18 : Current Investments

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Investments in Mutual Fund Units (Unquoted)	**40.69**	62.75
Investments in Subsidaries (Refer Footnote)		
BAHC 5 Pte Ltd.	**-**	-
1 (Previous year 1) equity shares of US $ 1 each (₹ 51 (Previous year ₹ 51))		
Premium Aircraft Leasing Corporation Ltd.	**-**	-
10 (Previous year 10) equity shares of US $ 1 each (₹ 512 (Previous year ₹ 512))		
	40.69	62.75

Footnote :

These shares are held for disposal.

Note 19 : Inventories (At lower of cost and net realisable value)

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Food and Beverages	**33.37**	34.63
Stores and Operating Supplies	**49.68**	43.36
Apartment held for sale	**13.69**	8.36
	96.74	86.35

Note 20 : Trade Receivables (Unsecured)

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Outstanding over six months :		
Considered good	**25.61**	32.45
Considered doubtful	**22.77**	18.21
	48.38	50.66
Others :		
Considered good	**248.37**	257.93
Considered doubtful	**-**	-
	248.37	257.93
	296.75	308.59
Less : Provision for Doubtful Trade Receivables	**22.77**	18.21
	273.98	290.38

Note 21 : Cash and Bank Balances

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Cash and Cash Equivalents		
Cash on hand	**4.79**	3.94
Cheques, Drafts on hands	**12.65**	11.42
Balances with banks in current account	**78.18**	47.01
Balances with banks in call and short-term deposit accounts (less than 3 months)	**27.98**	22.20
	123.60	84.57
Other Balances with banks :		
Call and Short-term deposit accounts	**88.75**	86.85
Deposits pledged with others	**1.34**	1.60
Margin money deposits	**5.48**	4.42
Earmarked balances	**11.79**	22.08
	107.36	114.95
	230.96	199.52
Less : Term deposit with banks maturing after 12 months from the Balance Sheet date and other earmarked / margin money / pledged deposits classified as non-current (Refer Note 17, Page 161)	**20.90**	39.80
	210.06	159.72

Note 22 : Short-term Loans and Advances

(Unsecured, considered good unless stated otherwise)

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Short-term Loans and Advances	**96.44**	50.91
Deposit with public bodies and others	**45.45**	13.29
Other advances		
Considered good	**114.15**	116.98
Considered doubtful	**8.96**	5.94
	123.11	122.92
Provision for doubtful advances	**8.96**	5.94
	114.15	116.98
	256.04	181.18

Note 23 : Other Current Assets

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Interest Receivable	**21.31**	17.38
On Current Account dues	**43.12**	45.32
Unamortised Borrowing Costs		
Opening Balance	**15.33**	9.96
Add : Additions during the year	**1.33**	12.56
Add : Translation adjustment	**0.27**	1.22
Less : Amortised during the year (Refer Footnote)	**(4.45)**	(8.41)
Closing Balance	**12.48**	15.33
Less : Unamortised borrowing costs - Non Current (Refer Note 17, Page 161)	**5.10**	11.11
	7.38	4.22
	71.81	66.92

Footnote :

Expenses on borrowing are amortised over the tenure of the respective loan.

Note 24 : Rooms, Restaurants, Banquets and Other Operating Income

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Income from Operations	**3,743.36**	3,443.52
Other Operating Income	**-**	-
Total	**3,743.36**	3,443.52

Income from Operations is derived from the following :

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Room Income	**1,810.85**	1,672.56
Food, Resturants and Banquet Income	**1,501.90**	1,382.46
Shop Rentals	**34.38**	36.35
Membership Fees	**51.03**	43.73
Management and Operating Fees	**106.50**	110.29
Others	**238.70**	198.14
Total	**3,743.36**	3,443.53

Note 25 : Other Income

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Interest Income		
Inter-corporate deposits	**12.26**	12.08
Deposits with banks	**0.01**	-
Interest on Income Tax Refunds	**0.48**	3.19
Others	**6.29**	4.47
Total	**19.04**	19.74
Dividend Income from long-term Investments	**5.57**	5.51
Dividend Income from Current Investments	**9.03**	12.54
Profit on sale of Current Investments (Net)	**0.75**	-
Exchange Gain (Net)	**-**	8.09
Others	**25.77**	25.50
Total	**60.16**	71.38

Note 26 : Employee Benefit Expenses and Payment to Contractors

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Salaries, Wages, Bonus etc.	**976.50**	860.74
Company’s Contribution to Provident & Other Funds (Refer Note 39, Page 170 to 173)	**48.52**	61.35
Reimbursement of Expenses on Personnel Deputed to the Company	**42.29**	37.70
Payment to Contractors	**86.72**	77.50
Staff Welfare Expenses	**117.72**	111.48
Total	**1,271.75**	1,148.77

Note 27 : Finance Costs

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Interest Expense		
Interest Expenses on borrowings	**218.78**	263.47
On Income Tax Demand	**6.58**	0.04
	225.36	263.51
Less : Interest recovered on Currency swaps relating to above	**34.13**	36.12
Less : Interest Capitalised (Refer Footnote)	**20.49**	14.92
Total	**170.74**	212.47

Footnote :

The Group has capitalised the interest cost on borrowings utilised for projects under construction, relating to assets in capital work-in-progress

Note 28 : Operating and General Expenses

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
(i) Operating expenses consist of the following :		
Linen and Room Supplies	**63.43**	57.15
Catering Supplies	**35.04**	34.49
Other Supplies	**7.99**	8.38
Fuel, Power and Light	**288.80**	245.68
Repairs to Buildings	**43.88**	41.30
Repairs to Machinery	**52.46**	47.26
Repairs to Others	**40.11**	36.89
Linen and Uniform Washing and Laundry Expenses	**43.77**	37.84
Payment to Orchestra Staff, Artistes and Others	**28.30**	28.55
Guest Transportation	**9.30**	17.56
Travel Agents' Commission	**55.70**	44.38
Discount to Collecting Agents	**44.51**	40.77
Other Operating Expenses	**116.94**	84.72
Total	**830.23**	724.97
(ii) General expense consist of the following :		
Rent	**61.01**	55.35
Licence Fees	**197.11**	175.10
Rates and Taxes	**78.75**	72.01
Insurance	**20.00**	18.97
Advertising and Publicity	**126.00**	111.55
Printing and Stationery	**15.04**	14.41
Passage and Travelling	**20.23**	19.80
Provision for Doubtful Debts and advances	**7.80**	5.92
Professional Fees	**53.31**	51.27
Support services	**31.02**	22.01
Exchange Loss (Net)	**0.95**	-
Loss on Sale of Fixed Assets (Net)	**4.22**	4.36
Loss on Sale of Investment (Net)	**-**	0.08
Provision Diminution in Value of Investment	**0.50**	-
Payment made to Statutory Auditors (Refer Footnote)	**7.75**	6.27
Directors' Fees and Commission	**2.88**	3.13
Other Expenses	**95.62**	101.73
Total	**722.19**	661.96
	1,552.42	1,386.93

Footnotes :

Payment made to Statutory Auditors:

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
As auditors	**5.52**	5.30
For other services (including tax audit and company law matters)	**2.16**	0.86
Expenses and incidentals	**0.07**	0.11
	7.75	6.27

Note 29 : Exceptional Items

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Exceptional Items comprises of the following :		
Exchange Gain / (Loss) on long-term borrowings/assets (Refer Footnote)	**(20.72)**	(14.55)
Profit on sale of hotel property	**-**	11.40
Interest Income net of expenditure on surrender of project	**-**	11.37
Profit on sale of Investment by Subsidiaries of Holding Company Shares	**13.95**	-
Settlement of arbitration Claim (including interest ₹ 17.97 crores)	**(23.11)**	-
Provision for Diminution in value of Long-term investments (Refer Note 15 (ii). Page 160)	**(373.00)**	-
Provision for Obligation of an Associate	**(27.55)**	-
Short fall of business interruption insurance claim (Taj Mahal Palace, Mumbai)	**-**	(8.72)
Settlement of claims due to disposal of a subsidiary	**-**	(1.02)
Total	**(430.43)**	(1.52)

Footnote :

Exchange difference on revaluation of long-term foreign currency monetary items.

Note 30. Shareholder's Agreement of a subsidiary:

As per Share Subscription Agreement and Shareholders' Agreement dated March 16, 2011 entered into with Omega TC holding Pte Limited ("Investor") by a subsidiary company, the subsidiary has issued 5,555,556 equity shares of ₹ 10 for a total consideration of ₹ 50 crores on March 27, 2013.

The investor also has an option but not the obligation to subscribe for further such number of Equity Shares as is equal to the aggregate consideration of upto ₹ 100 crores on or before March 31, 2014 provided that the company requires an amount equivalent to the consideration and such requirement is a part of business plan.

Note 31. Contingent Liabilities (to the extent not provided for) ;

(a) On account of Income Tax matters in dispute :

In respect of tax matters for which Group appeals are pending ₹ 68.92 crores (Previous year ₹ 33.03 crores). The said amounts have been paid / adjusted and will be recovered as refund if the matters are decided in favour of companies of the Group.

In respect of other tax matters ₹ 0.05 crores (Previous year ₹ 0.15 crore)

(b) On account of other disputes in respect of :

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Luxury tax	**3.60**	0.55
Entertainment tax	**0.03**	0.53
Sales tax/VAT	**21.61**	20.23
Property and Water tax	**13.45**	11.58
Stamp Duty	**0.60**	0.60
Service tax	**33.27**	22.09
Excise	**21.14**	29.13
Others	**5.39**	5.11

The Company is a defendant in various legal actions and a party to claims which arose during the ordinary course of business. The Company's management believes based on the facts presently known, that the results of these actions will not have a material impact on the Company's financial statements.

(c) Other claims against the Group not acknowledged as debt :

Legal and statutory matters ₹ 2.69 crores (Previous year ₹ 5.14 crores)

(d) In a hotel on land under license agreement, there is a demand for increased lease rentals with effect from 2006-07 amounting to ₹ 194.85 crores (Previous year ₹ 161.26 crores) plus interest thereon. The Company has disputed this enhanced lease rental and filed a suit in the High Court and taken out a Notice of Motion, inter alia, for a stay against any further proceedings by the licensor pending resolution of dispute by the Court. The Company has been legally advised that the demand is not sustainable as it is not in accordance with the judgment of the Hon'ble Supreme Court of India. The Company does not expect any additional liability in this regard. In some hotels, proposed revisions in property taxes are contested by the Company, amounts of which are indeterminate.

(e) The Group had spent ₹ 8.13 crores in one of the hotel property at Ludhiana taken on operating lease which has a remaining written down value of ₹ 6.3 crores as at Balance Sheet date. The Group had, after taking legal advice, suspended its operations & further given a termination notice to end the lease contract due to non-fulfilment of obligations by the landlord to provide critical services such as electricity, power backup, security etc for the mall including the Hotel and not adapting good engineering practices in the construction of the Hotel Building. The landlord has disputed the validity of the notice and has raised a claim for ₹ 44.12 crores towards arrear rentals, CAM charges and rental for period between August 2012 till October, 2038

In the meantime, the Group has filed a suit seeking relief to restrain the landlord from preventing the Group from removing its moveable assets from the said property. Based on the discussions & legal advice sought by the Group from senior lawyers, the Group feels that it has a good case to recover the initial investment /damages from the owner & it also intends to file a suit for damages against the landlord. In view of the above, the Group feels confident not to have any loss on account of the amount invested in the property and based on the facts of the case and the supporting law liability for claims raised by the landlord can be defended.

(f) One of the jointly controlled entities dealing in Air catering services has got rights from Airport Authority of India (AAI) for the entry and use of the facilities at the domestic and international terminals at the Chennai Airport, in order to provide in-flight catering services to the aircrafts in accordance with the agreements entered into with the various airlines. AAI has unilaterally taken a decision to revise upward the royalty to 13% of the gross turnover from ₹ 30,000 per month with effect from April 1, 2008 and raised a demand of ₹ 3.17 crores for a period from April 1, 2008 to March 31, 2010. No provision has been made in respect of this additional royalty since the same is being disputed by the entity and treated as contingent liability. Should the entity be liable to make any payment to AAI against the aforesaid claim, the management believes the same would be fully recoverable on a back to back basis from various airline companies in view of the entity's agreement/ understanding with them.

Pursuant to the joint representation made by all the in-flight caterer including the entity, AAI, vide its letter dated July 19, 2010, revised its claim of royalty from 13% of the gross turnover to an amount ranging from 5% to 10% of the Gross Turnover from April 2008, which the entity is paying from April 1, 2010 onwards and recovering from respective airlines as per the agreements.

Note 32. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 240.94 crores (Previous year - ₹ 136.52 crores).

Note 33. Other Commitments

(a) The Company owns 19.90% of the issued share capital of Lands End Properties Private Limited (LEPPL), a Company owning 67% interest in the Hotel Sea Rock Property through its wholly-owned subsidiary. Sky Deck Properties & Developers Private Limited (SDPDPL). During the year, LEPPL has refinanced loan of ₹ 400 crores and accrued premium by raising a fresh debt of ₹ 521 crores through issuance of Zero coupon Non-Convertible Debentures, redeemable at a premium having a yield to maturity of 10%. LEPPL has a call option on this borrowing to redeem such Debentures on February 13, 2014 or February 13, 2015 with an additional redemption premium of 0.5% and 0.15% of nominal value respectively. However, the call option can only be exercised with prior written consent from the

Company. In respect of such debentures issued by LEPPL, the Company has :-

(i) the first right to purchase the entire shareholding of SDPDPL held by LEPPL for an aggregate value of ₹ 693.45 crores; or

(ii) the obligation to make good the value of the shortfall if lenders of LEPPL realise an amount lower than the redemption amount, on sale of the shares of SDPDPL in case the right referred in (i) above is not exercised.

(b) The Company had given an option to certain shareholders of ELEL Hotels & Investment Ltd. (ELEL), a company having an underlying lease of the Hotel Sea Rock Property as under:-

Shareholders holding 5,26,854 shares in ELEL would have had an option to sell these shares to the Company upon the achievement and fulfilment of certain conditions. The intent states that the option would have been exercisable by the shareholders at a predetermined price, based on the obligations actually fulfilled by the holders of these shares. The holders of these shares are entitled to exercise this Put option on July 1, 2013 or January 1, 2014 or July 1, 2014. In parallel, the Company also has an option to purchase these shares at the same price on September 1, 2013 or April 1, 2014 or September 1, 2014.

Given the non-fulfilment of conditions as at date as well as the uncertainty in achieving these conditions going forward, the resolution of this Put/ Call option with respect to timing, price and resultant liability remains indeterminate.

(c) In case of one of the jointly controlled entity, as per the share purchase agreement it has given a commitment to pay for the uncalled amount of ₹ 13.67 crores towards the acquisition of 1,95,37,500 shares of Greenwoods Palaces & Resorts Pvt. Ltd.

(d) The Company has given letters of support in case of select associate companies during the year.

Note 34. Guarantees and Undertakings given :

(a) The Group has given an undertaking to a lender of Taj Air Limited (TAL) not to transfer, assign, dispose of or encumber its holding in the shares of TAL without the said lender's prior written approval except for changes in the shareholding of TAL between specified entities.

(b) Group has pledged its investment in BAHC 5 Pte Ltd. (BAHC 5) with a net book value of US $ 1 and issued guarantees in respect of a loan from a third party to BAHC 5 for losses that might incur as a result of granting the loan to BAHC 5 to the extent of approximately US $ 68 million without charge. As at the end of the Balance Sheet date, the Group does not consider it probable that a claim will be made against the Company under these guarantees. The maximum liability of the Company at the end of the reporting period under these guarantees is approximately US $ 68 million, representing the loan drawn down by BAHC 5 as at the end of the reporting period.

(c) The Group has pledged its investment in St. James Courts Hotel Limited with a net book value of ₹ 232.37 crores (US $ 42.79 million) and issued guarantees without charge in respect of a bank loan to Bjets Pte Ltd (Bjets) for losses that might incur as a result of granting the loan to Bjets to the extent of approximately ₹ 141.19 crores (US $ 26 million). As at the end of the Balance Sheet date, the Group does not consider it probable that a claim will be made against the Company under these guarantees. The maximum liability of the Company at the end of the reporting period under these guarantees is approximately ₹ 141.19 crores (US $ 26 million), representing the loan drawn down by Bjets as at the end of the reporting period.

(d) The Group, together with an associate and a third party entered into an agreement with the bank, in consideration for the lender providing a credit facility of up to ₹ 48.87 crores (US $ 9 million) to Lanka Island Resorts Limited, an associate of the Group. The Group has agreed to execute a shortfall undertaking and a non-disposal undertaking for shares in Lanka Island Resorts Limited in favour of the bank as security for repayment of credit facilities and money payable by the associate to the bank under the facility agreement and performance and observance by the bank of all its obligations and covenants under the facility agreement.

(e) Guarantees given by the Group in respect of loans obtained by other companies and outstanding as on March 31, 2013 - ₹ 24.05 crores (Previous year - ₹ 32.55 crores).

Note 35. Operating and Finance Leases

(a) IHMS Inc. formed IHMS LLC (“New York LLC”) under the laws of the State of Delaware, U.S.A. The New York LLC was formed to acquire the lease with 795 Fifth Avenue Corporation, its affiliates 795 Fifth Avenue Limited Partnership, Barneys New York and individual apartment owners, which encompass the facilities of the Hotel Pierre.

The New York LLC has entered into lease agreements for the use of various facilities at the Hotel Pierre for the purpose of operating a hotel business. Under the terms of the various Agreements, the New York LLC is required to:

(i) Provide an irrevocable unconditional letter of credit in the amount of ₹ 27.15 crores (US $ 5 million), as to be renewed annually until expiration of the lease.

(ii) Spend not less than ₹ 190.06 crores (US $ 35 million) on renovations of the property not later than June 30, 2007.

(iii) In November 2007, the New York LLC entered into a lease modification agreement with its landlord. The principal modification extended the lease term for an additional 10 years, to June 30, 2025, and increased the New York LLC’s renovation commitment to ₹ 434.44 crores (US $ 80 million). The New York LLC spent approximately ₹ 568.24 crores (US $ 104.64 million) towards the renovation project and substantially completed the renovation project on June 30, 2010.

Future fixed and minimum rentals, exclusive of formula or percentage rentals for the period ending March 31, are approximately as under :-

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Not later than one year	**10.69**	10.07
Later than one year but not later than five years	**42.77**	40.28
Later than five years	**77.52**	83.10

(iv) Lease on cooperative apartments and ballroom

The New York LLC assumed a lease agreement with Barney’s New York, currently scheduled to expire in August 2013, for the use of Hotel Pierre’s ballroom, and with some other individuals for the use of their cooperative apartments as hotel rooms and suites. Such leases require the New York LLC to pay minimum rent which increase annually by the change in the Consumer Price Index and to reimburse the owners for their actual cooperative maintenance charges. On March 12, 2012, the lease agreement with Barney’s was amended wherein, among other things, the scheduled expiration was extended to December 31, 2018 and the annual fixed rent was increased to US $ 1,700,000 (“Amended Lease Agreement”). In addition, the Amended Lease Agreement required a one-time rent adjustment fee of US $ 1,000,000 (“Rent Adjustment”). The Rent Adjustment is included in deferred cost and will be expensed over the term of the Amended Lease Agreement. Accumulated amortisation of the Rent Adjustment amounted to ₹ 0.92 crores (US $ 1,68,672) at March 31, 2013. Future fixed minimum rentals, exclusive of formula or percentage rentals for the period ending March 31, are approximately as under :-

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Not later than one year	**9.94**	9.37
Later than one year but not later than five years	**39.06**	37.48
Later than five years	**6.92**	15.22

(b) IHMS New York LLC, IHMS San Francisco LLC and IHMS Boston LLC, as lessors under various operating leases, will receive base rents over the next five years and, in the aggregate, over the remaining terms of the leases as follows :-

	San Francisco LLC ₹ crores	Boston LLC ₹ crores	New York LLC ₹ crores	Total ₹ crores
Not later than one year	**0.35**	**2.36**	**1.88**	**4.59**
	0.31	*2.23*	*1.54*	*4.08*
Later than one year but not later than five years	**0.50**	**7.48**	**7.52**	**15.50**
	0.80	*8.92*	*6.15*	*15.87*
Later than five years	**-**	**-**	**5.17**	**5.17**
	-	*0.37*	*6.57*	*6.94*

Figures in italics are in respect of previous year

(c) Apart from the operating lease as mentioned in Note 35 (a) above, the Group has also taken certain assets on operating lease, the minimum future lease rentals payable on which are as follows:

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Not later than one year	**41.92**	35.39
Later than one year but not later than five years	**160.83**	138.58
Later than five years	**1,165.20**	1,101.43

A subsidiary company is liable, in certain cases, to pay variable rent based on fulfilment of certain operational parameters. The total amount charged to Statement of Profit and Loss in respect thereof is ₹ 0.32 crore (Previous year ₹ 0.11 crore)

(d) The Group has taken assets on finance lease, certain assets, the minimum future lease rentals and present value of minimum lease rentals payable are as follows:

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Minimum lease rentals payable as on Balance Sheet date	1.05	-

	Minimum lease payment	
	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Not later than one year	**0.45**	-
Later than one year but not later than five years	**0.60**	-
Later than five years	**-**	-
Total	**1.05**	-

Note 36. Derivative Instruments and Un-hedged Foreign Currency Exposure :

The Company uses forward exchange contracts, interest rate swaps, currency swaps and options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:-

(a) Derivative Instruments outstanding:

Nature of Derivative	**Risk Hedged**	**March 31, 2013**		March 31, 2012	
		Currency million	**₹ crores**	Currency million	₹ crores
Option Contract	US $ /₹	**-**	**-**	30.00	141.47
Libor Cap	US $	**40.00**	**-**	70.00	-
	GB £	**20.00**	**-**	20.00	-
	US $	**63.34**	**-**	63.34	-
Interest Rate Swap	GB £	**30.00**	**-**	20.00	-
	US $	**-**		8.13	-
Forward Contracts	US $	**-**	**-**	0.68	-

The above excludes cross currency interest rate swap referred to in footnote to Note 4, Page 152.

(b) Un-Hedged Foreign currency exposure receivable/(payable) :

Currency	March 31, 2013	March 31, 2012
United States Dollar (Million)*	**(99.38)**	(116.13)
South African Rand (Million)	**62.23**	53.25
Thai Baht (Million)	**237.42**	237.04

* Net of notional amount of US $ 186.38 million (Previous year - US $ 186.38 million) as cross currency interest rate swaps referred to in footnote to Note 4, Page 152.

Note 37. Foreign Currency Monetary Item Translation Difference Account

The Company has exercised the option granted vide notification No. G.S.R.225(E) dated March 31, 2009, issued by the Ministry of Corporate Affairs and subsequent Notification No G.S.R.378(E) (F.No17/133/2008-CL.V) dated May 11, 2011 and Amendment Notification No. G.S.R.914(E) dated December 29, 2011 incorporating the new paragraph 46(A) relating to Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates" and accordingly, the exchange differences arising on revaluation of long-term foreign currency monetary items for the year ended March 31, 2013 have been accumulated in "Unamortised Foreign Currency Monetary Item Translation Difference" and amortised over the balance period of such long-term asset or liability, by recognition as income or expense in each of such periods. Foreign currency monetary items outstanding as at March 31, 2013 are accounted as per Company's Policy on Transactions in Foreign Exchange (Refer Note 2(f), Page 147).

Note 38.

The Company, on a review of its foreign operations had, in the past, made voluntary disclosures to the appropriate regulator, of what it considered to be possible irregularities, in relation to foreign exchange transactions relating to period prior to 1998. Arising out of such disclosures, the company received show cause notices. The Company has replied to the notices and is waiting for the directorate to return its files, after which it will complete the replies. Adjudication proceedings are in progress.

Note 39. Employee Benefits:

(a) The Group has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds":

	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Provident Fund	**29.26**	19.76
Superannuation Fund	**6.80**	8.49
Total	**36.06**	28.25

(b) The Group operates post retirement defined benefit plans as follows :-

(i) Funded

- Post Retirement Gratuity.
- Pension to Employees - Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

(ii) Unfunded

- Pension to Executive Directors and Employees - Post retirement minimum guaranteed pension scheme for certain retired executive directors and certain categories of employees, which is unfunded.
- Post-Employment Medical Benefits to qualifying employees.
- Post-Employment Compensated Absence Benefit for certain categories of employees.

(c) Pension Scheme for Employees:

The Company has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

(d) Defined Benefit Plans :

The disclosure given below exclude amount of entities who have not obtained such information as these have been classified as small and medium company and have been exempt from making such disclosure:-

(i) **Amount to be recognised in Balance Sheet and movement in Net Liability**

	Gratuity Funded ₹ crores	Post-Employment Benefit (Compensated Absence) ₹ crores	Post-Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfunded ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
Present Value of Funded Obligations	**183.46**	**11.72**	**-**	**-**	**-**	**5.12**
	171.57	*11.06*	*-*	*-*	*-*	*4.08*
Present Value of Unfunded Obligations	**1.14**	**-**	**2.86**	**10.58**	**1.85**	**-**
	-	*-*	*2.62*	*6.33*	*1.71*	*-*
Fair Value of Plan Assets	**(182.86)**	**-**	**-**	**-**	**-**	**(6.59)**
	(163.39)	*-*	*-*	*-*	*-*	*(6.14)*
Unrecognised Past Service Cost	**-**	**-**	**-**	**-**	**-**	**(1.52)**
	-	*-*	*-*	*-*	*-*	*(1.90)*
Adjustment to Plan Asset	**-**	**-**	**-**	**-**	**-**	**0.50**
	-	*-*	*-*	*-*	*-*	*0.70*
Net (Asset) / Liability	**1.74**	**11.72**	**2.86**	**10.58**	**1.85**	**(2.49)**
	6.33	*11.06*	*2.62*	*6.33*	*1.71*	*(3.26)*

(ii) **Expenses recognised in the Statement of Profit and Loss**

	Gratuity Funded ₹ crores	Post-Employment Benefit (Compensated Absence) ₹ crores	Post-Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfunded ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
Current Service Cost	**9.78**	**14.42**	**0.03**	**0.46**	**-**	**0.11**
	8.92	*-*	*-*	*0.65*	*-*	*0.12*
Interest Cost	**14.40**	**0.88**	**0.22**	**0.55**	**0.13**	**0.32**
	11.86	*-*	*0.05*	*0.47*	*0.13*	*0.33*
Expected return on Plan Assets	**(11.56)**	**-**	**-**	**-**	**-**	**(0.42)**
	(10.17)	*-*	*-*	*-*	*-*	*(0.37)*
Actuarial Losses/ (Gain) recognised in the year	**0.30**	**(0.87)**	**0.12**	**3.24**	**0.42**	**0.70**
	15.00	*-*	*(0.04)*	*0.97*	*0.22*	*(0.84)*
Past service Cost	**-**	**-**	**-**	**-**	**-**	**0.38**
	0.08	*-*	*-*	*-*	*-*	*-*
Effect of the limit on Plan Asset	**-**	**-**	**-**	**-**	**-**	**(0.20)**
	-	*-*	*-*	*-*	*-*	*0.35*
Expense	**12.92**	**14.43**	**0.37**	**4.25**	**0.55**	**0.89**
	25.70	*-*	*0.01*	*2.09*	*0.35*	*(0.41)*

(iii) **Reconciliation of Defined Benefit Obligation**

	Gratuity Funded ₹ crores	Post-Employment Benefit (Compensated Absence) ₹ crores	Post-Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfunded ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
Opening Defined Benefit Obligation	**171.57**	**11.06**	**2.62**	**6.33**	**1.71**	**4.08**
	134.96	*-*	*0.73*	*5.52*	*1.75*	*4.19*
Additions Due to Acquisitions	**(0.09)**	**-**	**-**	**-**	**-**	**-**
	13.23	*-*	*-*	*-*	*-*	*-*
Current Service Cost	**9.78**	**14.42**	**0.03**	**0.46**	**-**	**0.11**

	Gratuity Funded ₹ crores	Post-Employment Benefit (Compensated Absence) ₹ crores	Post-Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfunded ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
	8.84	-	*1.91*	*0.65*	-	*0.12*
Interest Cost	**14.40**	**0.88**	**0.22**	**0.55**	**0.13**	**0.32**
	11.75	-	*0.05*	*0.47*	*0.13*	*0.32*
Contribution by Plan Participants	-	-	-	-	-	-
	1.26	-	-	-	-	-
Actuarial Losses / (Gain)	**8.38**	**(0.87)**	**0.12**	**3.24**	**0.42**	**0.63**
	14.00	-	*(0.04)*	*0.97*	*0.22*	*(0.52)*
Benefits Paid	**(19.44)**	**(13.77)**	**(0.13)**	-	**(0.41)**	**(0.02)**
	(12.55)	-	*(0.03)*	*(1.28)*	*(0.39)*	*(0.03)*
Past Service Cost	-	-	-	-	-	-
	0.08	-	-	-	-	-
Closing Defined Benefit Obligation	**184.60**	**11.72**	**2.86**	**10.58**	**1.85**	**5.12**
	171.57	*11.06*	*2.62*	*6.33*	*1.71*	*4.08*

(iv) **Reconciliation of Fair Value of Plan Assets**

	Gratuity Funded ₹ crores	Post-Employment Benefit (Compensated Absence) ₹ crores	Post-Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfunded ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
Opening Fair Value of Plan Assets	**163.39**	-	-	-	-	**6.14**
	133.24	-	-	-	-	*5.24*
Additions Due to Acquisitions	-	-	-	-	-	-
	12.61	-	-	-	-	-
Expected return on Plan Assets	**11.56**	-	-	-	-	**0.42**
	10.45	-	-	-	-	*0.37*
Actuarial (Gain) / Losses	**7.26**	-	-	-	-	**(0.07)**
	(1.05)	-	-	-	-	*0.32*
Contribution by Employer	**20.01**	**13.77**	**0.13**	-	**0.41**	**0.12**
	19.47	-	*0.03*	*1.28*	*0.39*	*0.25*
Contribution by Plan Participants	-	-	-	-	-	-
	1.26	-	-	-	-	-
Benefits Paid	**(19.36)**	**(13.77)**	**(0.13)**	-	**(0.41)**	**(0.02)**
	(12.59)	-	*(0.03)*	*(1-28)*	*(0.39)*	*(0.04)*
Closing Fair Value of Plan Assets	**182.86**	-	-	-	-	**6.59**
	163.39	-	-	-	-	*6.14*
Expected Employer's contribution next year	**6.61**	**2.02**	**0.23**	**6.00**	**0.47**	-
	7.30	-	*0.21*	*0.93*	*0.39*	-

(v) **Description of Plan Assets (Managed by an Insurance Company)**

	Gratuity Funded	Post-Employment Benefit (Compensated Absence)	Post-Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Government of India Securities	**29%**	-	-	-	-	**35%**
	7%	-	-	-	-	*41%*
Corporate Bonds	**45%**	-	-	-	-	**57%**
	62%	-	-	-	-	*54%*
Equity	**14%**	-	-	-	-	-
	13%	-	-	-	-	-
Others	**12%**	-	-	-	-	**8%**
	18%	-	-	-	-	*5%*
Grand Total	**100%**	-	-	-	-	**100%**
	100%	-	-	-	-	*100%*

(vi) **Actuarial Assumptions**

	Gratuity Funded	Post-Employment Benefit (Compensated Absence)	Post-Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.)	**7.80% - 8.50%**	**8.10%**	**8.10%**	**7.95%-8.10%**	**8.10%**	**8.10%**
	8.60%	-	*8.60%*	*8.60%*	*8.60%*	*8.60%*
Expected Rate of Return on Assets (p.a.)	**7.50% - 8%**	-	-	-	-	**7.50%**
	7.50%	-	-	-	-	*7.50%*
Salary Escalation Rate (pa.)	**3% - 7%**	**5.00%**	-	**5.00%**	**5.00%**	-
	6.00%	-	-	*6.00%*	*4.00%*	-
Mortality Table (LIC)	**2006-08***	**2006-08***	**2006-08***	**2006-08***	**2006-08***	**2006-08***
	1994-96	-	*1994-96*	*1994-96*	*1994-96*	*1994-96*

Foote Note :

* Indian Assured Lives Mortality

(vii) **Effect of Change in Assumed Health Care Cost**

	1 % Increase ₹ crores	1% Decrease ₹ crores
Effect on the aggregate of service cost and interest cost	-	-
(1% increase - ₹ 48,651) (1% Decrease - ₹ 42,691)	-	-
PY (1 % increase - ₹ 49,753) (1 % Decrease - ₹ 43,426)		
Effect of defined benefit obligation	**0.06**	**(0.05)**
	0.06	*(0.05)*

(viii) **Experience Adjustments**

	2012/13 ₹ crores	2011/12 ₹ crores	2010/11 ₹ crores	2009/10 ₹ crores	2008/09 ₹ crores
Defined Benefit Obligation	**211.80**	196.05	146.92	125.93	124.34
Plan Assets	**186.10**	168.98	138.50	118.68	85.67
Deficit	**(13.98)**	(16.01)	(8.42)	(7.25)	(38.67)
Experience Adjustment on Plan Liabilities	**21.86**	21.12	5.26	3.08	10.00
Experience Adjustment on Plan Assets	**7.32**	(0.55)	0.26	9.54	(10.17)

Footnote : Figures in italics under (i) to (vii) are of the previous year.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Note 40. Related Party Disclosures:

(a) The names of related parties of the Group are as under:

(i) **Company having substantial interest**

Tata Sons Ltd.

(ii) **Associates and Jointly Controlled Entities**

The names of all the associates and jointly controlled entities are given in (Refer Note 1 (b). Page 143)

(iii) **Co-venturer**

Singapore Airport Terminal Services Ltd. (SATS)

Malaysian Airline Systems

Kerala Tourism Infrastructure Ltd.(formerly known as Tourism Resorts Kerala Ltd.)

Zinc Holdings Ltd.

And Beyond Holdings Pty. Ltd.

Corormandel Beach Properties Pvt. Ltd.

Caspian Capital & Finance Ltd.

Tata Africa Holding (Pty) Ltd.

(iv) **Key Management Personnel**

Key managerial personnel comprise the whole-time directors of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

(v) **Following are the Key Management Personnel:**

	Designation
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operation
Mehernosh S. Kapadia	Executive Director - Corporate Affairs

(b) Details of related party transactions during the year ended March 31, 2013 and outstanding balances as at March 31, 2013:

	Company having substantial interest ₹ crores	**Key Management Personnel ₹ crores**	**Associates and Jointly Controlled Entities ₹ crores**	**Co-venturer ₹ crores**
Interest Paid / Provided	**-**	**-**	**4.31**	**0.76**
	-	-	*0.59*	-
Interest received / accrued	**-**	**-**	**0.77**	**-**
	-	-	*3.56*	-
Dividend Paid	**19.67**	**0.01**	**0.16**	**0.15**
	14.87	-	*0.15*	-
Dividend Received	**3.60**	**-**	**5.21**	**-**
	3.60	-	*8.34*	-
Operating / License Fees Paid / Provided	**-**	**-**	**2.06**	**0.01**
	-	-	*0.56*	-
Operating / License Fees Received / Accrued	**-**	**-**	**42.97**	**-**
	-	-	*46.82*	-
Purchase of goods and services	**-**	**-**	**1.33**	**0.23**
	3.12	-	*1.65*	*0.31*
Sale of goods and services	**3.13**	**0.02**	**3.42**	**1.51**
	1.82	-	*4.26*	*1.03*
Allotment of Shares	**497.47**	**-**	**-**	**-**
	-	-	-	-
ICD Raised	**-**	**-**	**13.19**	**-**
	-	-	-	-
ICD Repaid	**-**	**-**	**23.83**	**-**
	-	-	-	-
ICD Placed	**-**	**-**	**29.20**	**-**
	-	-	-	-

	Company having substantial interest ₹ crores	Key Management Personnel ₹ crores	Associates and Jointly Controlled Entities ₹ crores	Co-venturer ₹ crores
ICD Encashed	**-**	**-**	**9.39**	**-**
	-	-	-	-
Share Application money paid	**-**	**-**	**0.24**	**-**
	-	-	-	-
Subscription of Shares	-	-	-	-
	-	-	*24.80*	-
Remuneration paid / payable	**-**	**15.64**	**-**	**-**
(Refer Footnote (ii) and (iii))	-	*12.90*	-	-
Balances outstanding at the end of the year				
Trade receivables	**0.96**	**-**	**21.45**	**0.19**
	0.24	-	*22.94*	*0.11*
Trade payables	**2.85**	**-**	**2.54**	**0.44**
	2.45	-	*0.01*	*0.01*
Due from / (to) on Current A/c	**-**	**-**	**15.61**	**(0.03)**
	0.28	-	*1.22*	*(0.10)*
Interest Receivable	**-**	**-**	**4.41**	**-**
	-	-	-	-
Interest Payable	**-**	**-**	**0.35**	**-**
	-	-	-	-
Deposits (Net)	**-**	**-**	**37.16**	**-**
	-	-	*11.77*	-
Loans Outstanding (Net)	**-**	**-**	**25.83**	**(7.31)**
	-	-	*18.81*	-

Footnotes :

(i) Figures in italics are of the previous year.

(ii) Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation of the Company's liability to all its employees.

(iii) Includes commission approved by shareholders.

(c) Statement of Material Transactions

Name of the Company	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Company having substantial interest		
Tata Sons Limited		
Allotment of Shares	**497.47**	-
Dividend Received	**3.60**	3.60
Dividend Paid	**19.67**	14.87
Purchase of goods and services	**-**	3.12
Sale of goods and services	**2.31**	1.82
Trade Payables	**2.85**	2.45
Tata Quality Management Services		
Sale of goods and services	**0.82**	-
Remuneration to Key Management Personnel		
Mr. Raymond N. Bickson	**10.33**	8.06
Mr. Anil P. Goel	**2.17**	2.13
Mr. Abhijit Mukerji	**1.99**	1.90
Associates		
Oriental Hotels Ltd.		

Name of the Company	**March 31, 2013 ₹ crores**	March 31, 2012 ₹ crores
Interest paid / provided	**0.47**	0.11
Interest received / accrued	**0.69**	0.45
Interest Payable	**0.35**	-
Dividend Received	**1.52**	5.33
Operating / Licence Fees Paid	**1.00**	0.56
Operating / Licence Fees Received	**23.43**	22.69
Purchase of goods and services	**0.92**	1.37
Sale of goods and services	**3.05**	2.73
Due on current account (Net) - Payable	**2.20**	1.12
Trade Receivables	**9.07**	8.95
ICD Placed during the year	**21.75**	70.00
ICD Encashed during the year	**7.25**	60.00
ICD raised during the year	**9.00**	15.50
ICD repaid during the year	**14.50**	16.00
ICD Closing Position - Receivable	**14.50**	-
ICD Closing Position - Payable	**2.48**	5.50
Loans borrowed during the year	**-**	1.34
Taida Trading & Industries Ltd.		
Interest received / accrued	**0.72**	0.62
Interest Receivable	**1.21**	0.47
Due on current account (Net) - Receivable	**-**	1.59
ICD Placed during the year	**-**	8.04
ICD Closing Position - Receivable	**8.04**	8.04
Kaveri Retreats and Resorts Ltd.		
Interest received / accrued	**-**	0.59
Subscription of shares	**-**	24.80
ICD Placed during the year	**-**	15.10
ICD Encashed during the year	**-**	22.20
ICD Closing Position - Receivable	**-**	9.10
BJets Pte Ltd. .Singapore		
Interest received / accrued	**0.77**	0.66
Interest Receivable	**1.15**	0.38
Loans given outstanding	**16.31**	12.79
Jointly Controlled Entities (to the extent of Co-venturer share)		
Taj GVK Hotels & Resorts Ltd.		
Dividend Received	**1.79**	2.38
Operating / Licence Fees Received	**11.36**	13.79
Due on current account (Net) - Payable	**1.48**	0.57
Trade Receivables	**4.43**	7.19
Purchase of Goods & Services	**0.31**	-
Kaveri Retreats and Resorts Ltd.		
Interest received / accrued	**0.83**	-
ICD Placed during the year	**4.57**	-
ICD Closing Position - Receivable	**9.13**	-
TAL Hotels & Resorts Ltd.		
Interest received / accrued	**-**	0.50
Operating / Licence Fees Received	**2.85**	5.08
Due on current account (Net) - Receivable	**-**	0.51
Loans granted during the year	**-**	5.92
Loans given outstanding	**5.92**	5.92
Interest Receivable	**0.53**	-
Taj Kerala Hotels & Resorts Ltd.		
Interest paid / provided	**-**	0.31
ICD repaid during the year	**-**	7.53
ICD Closing Position - Payable	**-**	0.90
Sale of Goods & Services	**0.19**	-
Purchase of Goods & Services	**0.03**	-

Name of the Company	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores
Taj Madras Flight Kitchen Pvt. Ltd.		
Interest paid / provided	**0.29**	0.17
Sale of Goods & Services	**0.16**	-
ICD raised during the year	**2.50**	2.50
ICD repaid during the year	**5.00**	-
ICD Closing Position - Receivable	**-**	2.50
Taj Karnataka Hotels & Resorts Ltd.		
Interest Receivable	**0.85**	-
Loans & Advances receivable	**2.98**	-
Due on current account (Net) - Receivable	**-**	1.21
Taj Safaris Ltd.		
Interest received / accrued	**-**	0.44
ICD Closing Position - Receivable	**-**	3.53
ICD encashed during the year	**1.72**	-
IHMS Hotels (SA) (Proprietary) Ltd.		
Due on current account (Net) - Receivable	**18.30**	-
Subscription of Shares	**0.24**	-
Investing parties		
Malaysian Airlines Systems		
Sale of goods and services	**1.51**	0.89
Coromandel Beach Properties Pvt Ltd.		
Interest paid/provided	**0.76**	-
Loans taken outstanding	**7.31**	-
Kerala Tourism Infrastructure Ltd.		
Purchase of Goods & Services	**0.23**	

Footnote: Transaction with related party excludes, recovery of spends on their behalf.

Note 41. Segment Information:

The Group regards the business segment as primary segments. The business segments have been classified as follows:

- Hoteliering.
- Others - comprising of Air Catering and Investing activities.

The disclosures in respect of the above business segments are as under:

Business

	Hoteliering		**Others**		**Total**	
	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores	**March 31, 2013 ₹ crores**	March 31, 2012 ₹ crores	**March 31, 2013 ₹ crores**	March 31, 2012 ₹ crores
Segment Revenue	**3,498.17**	3,162.02	**245.19**	281.50	**3,743.36**	3,443.52
Unallocated Income					**60.16**	71.38
Total Revenue					**3,803.52**	3,514.90
Segment Results	**264.23**	273.59	**(15.01)**	16.59	**249.22**	290.18
Add: Unallocated Income (Other than Interest)					**41.12**	51.64
Interest Income					**19.04**	19.74
Finance cost					**170.74**	212.47
Profit before Tax					**138.64**	149.09
Add : Exceptional Income					**(430.43)**	(1.52)
Profit / (Loss) before tax					**(291.79)**	147.57
Less : Provision for tax					**98.96**	121.75
Profit / (Loss) after Tax					**(390.75)**	25.82
Loss attributable to Minority Interest					**(40.86)**	(38.40)

	Hoteliering		Others		Total	
	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores	**March 31, 2013 ₹ crores**	March 31, 2012 ₹ crores	**March 31, 2013 ₹ crores**	March 31, 2012 ₹ crores
Share of Profit of Associates					**1.37**	15.64
Profit / (Loss) After Tax					**(430.24)**	3.06
Segment Assets	**6,295.50**	5,954.32	**379.63**	420.19	**6,675.13**	6,374.51
Unallocated Assets					**2,621.43**	2,857.63
Total Assets					**9,296.56**	9,232.14
Segment Liabilities	**781.12**	767.68	**71.08**	91.33	**852.20**	859.01
Unallocated Liabilities					**4,757.36**	4,632.53
Total Liabilities					**5,609.56**	5,491.54
Depreciation	**272.21**	239.07	**16.21**	16.00	**288.42**	255.07
Significant Non Cash Expenditure other than Depreciation	**8.44**	8.95	**8.04**	1.29	**16.48**	10.24
Capital Expenditure	**428.87**	300.49	**6.20**	6.58	**435.07**	307.07

The disclosures in respect of the above geographic segment are as under:

Geographic segments

	Domestic		International		Total	
	March 31, 2013 ₹ crores	March 31, 2012 ₹ crores	**March 31, 2013 ₹ crores**	March 31, 2012 ₹ crores	**March 31, 2013 ₹ crores**	March 31, 2012 ₹ crores
Segment Revenue	**2,685.45**	2,520.59	**1,057.91**	922.93	**3,743.36**	3,443.52
Segment Assets	**3,730.09**	3,546.13	**2,945.04**	2,828.38	**6,675.13**	6,374.51
Capital Expenditure	**280.60**	87.98	**154.47**	219.09	**435.07**	307.07

Footnotes :

(i) Unallocated assets include Goodwill on consolidation, Non - Current Investments, Current and Non-current Borrowings, Interest accrued but not due. Interest accrued and due. Cash and Bank Balance, Deferred Tax Assets, Advance Tax and other current assets which are not directly attributable to segments.

(ii) Unallocated Liabilities includes Long-term Borrowings, Deferred Tax Liabilities, Provision fortax. Short-term Borrowings, Premium on Redemption of Debenture and other Current Liabilities which are not directly attributable to segments.

(iii) Figures pertaining to subsidiaries and jointly controlled entities have been reclassified wherever necessary in order to confirm to the presentation in the consolidated financial statements.

Note 42. Earnings Per Share (EPS) :

Earnings Per Share is calculated in accordance with Accounting Standard 20 - ‘Earnings Per Share’ - (AS-20), notified by the Company’s (Accounting Standards) Rules, 2006 (as amended).

	March 31, 2013	March 31, 2012
Profit / (Loss) after tax - (₹ crores)	**(430.24)**	3.06
Number of Ordinary Shares	**80,74,72,787**	75,94,72,787
Less : Reduction due to Ordinary Shares owned by Subsidiaries	**-**	33,95,670
Net Number of Ordinary Shares	**80,74,72,787**	75,60,77,117
Weighted Average Number of Ordinary Shares	**79,66,89,225**	75,60,77,117
Face Value per Ordinary Share (₹)	**1**	1
Earnings Per Share - (₹) Basic and Diluted **Foot note:**	**(5.40)**	0.04*

Foot note :

* Since the exercise price of the Warrants issued by the Company was more than the fair value of the Ordinary Shares, and thereby being anti-dilutive in nature, these Warrants were not considered for the calculation of Diluted Earnings Per Share.

Note 43. Information of Subsidiaries in terms of section 212(8) of the Companies Act, 1956 :

The Company has given these particulars pursuant to letter No. - 51/12/2007-CL-llI dated February 8, 2011 issued by the Department of Company Affairs.

Domestic Companies :

	Capital ₹ crores	Reserves ₹ crores	Total Liabilities ₹ crores	Total Assets ₹ crores	Invest-ments ₹ crores	Total Income ₹ crores	Profit Before Taxation ₹ crores	Provision for Taxation ₹ crores	Profit After Taxation ₹ crores	Proposed / Interim Dividend ₹ crores
TIFCO Holdings Ltd.	81.50	134.04	0.21	215.75	140.73	12.04	11.41	0.80	10.61	-
Residency Foods & Beverages Ltd.	19.00	(16.90)	0.34	2.44	-	0.19	0.15	-	0.15	-
KTC Hotels Ltd.	0.60	0.43	4.29	5.33	-	0.43	0.36	0.11	0.25	2.42
United Hotels Ltd.	8.40	17.17	9.63	35.21	6.25	34.35	7.62	2.48	5.15	4.20
Taj Sats Air Catering Ltd.	17.40	200.11	58.17	275.68	0.01	228.88	(4.02)	(3.27)	(0.75)	-
Roots Corporation Ltd.	85.97	207.12	82.98	376.07	-	96.87	(1.38)	-	(1.38)	-
Taj Enterprises Ltd.	0.50	1.70	0.01	2.21	-	0.93	0.88	0.04	0.84	-
Taj Trade & Transport Co. Ltd.	3.47	12.22	15.18	30.87	1.73	27.99	3.56	0.41	3.15	1.04
Inditravel Ltd.	0.72	34.25	9.60	44.57	6.68	57.89	12.46	3.54	8.91	3.60
Ideal Ice & Cold Storage Co. Ltd.	0.45	(1.73)	1.33	0.05	-	-	-	-	-	-
Benares Hotels Ltd.	1.30	35.87	12.39	49.56	-	39.85	12.54	3.96	8.58	2.60
Piem Hotels Ltd.	3.81	454.77	85.27	543.85	34.85	308.35	72.39	20.15	52.23	17.15
Taj Rhein Shoes Co. Ltd.	3.00	(22.47)	19.54	0.07	-	-	(0.01)	-	(0.01)	-
Northern India Hotels Ltd.	0.44	15.37	0.15	15.95	0.01	2.79	3.23	0.83	2.40	-
TIFCO Security Services Ltd.	0.05	(0.01)	-	0.04	0.04	-	(0.01)	-	(0.01)	-

International Companies :

	Capital ₹ crores	Reserves ₹ crores	Total Liabilities ₹ crores	Total Assets ₹ crores	Invest-ments ₹ crores	Total Income ₹ crores	Profit Before Taxation ₹ crores	Provision for Taxation ₹ crores	Profit After Taxation ₹ crores	Proposed / Interim Dividend ₹ crores
Samsara Properties Ltd.	108.62	(384.76)	1,879.91	1,603.76	1,421.89	-	(0.06)	-	(0.06)	-
Apex Hotel Management Services (Pte) Ltd	-	-	0.13	0.13	-	-	-	-	-	-
Chieftain Corporation NV	0.08	95.51	5.48	101.80	-	-	(0.11)	-	(0.11)	-
IHOCO BV	12.95	91.62	2.51	107.08	-	0.03	(0.07)	0.02	(0.10)	-
St. James Court Hotel Ltd.	466.40	(31.47)	413.43	848.37	-	263.00	8.78	-	8.78	-
Taj International Hotels Ltd.	-	16.47	14.51	30.99	-	66.77	2.44	0.62	1.82	-
IHMS (Australia) Pty. Ltd.	28.27	(97.06)	157.62	88.83	-	55.79	(2.17)	-	(2.17)	-
International Hotel Management Services Inc.	2,253.66	(1,189.83)	645.70	1,709.53	-	588.97	(182.44)	1.34	(183.79)	-
Taj International Hotels (H.K.) Ltd.	1,249.02	(394.32)	1,284.89	2,139.59	95.84	19.29	(425.32)	-	(425.32)	-
Piem International (H.K.) Ltd.	43.44	151.01	0.04	194.49	2.94	4.16	6.57	-	6.57	-
BAHC 5 Pte Ltd.	-	(132.40)	423.38	290.99	-	-	(20.09)	-	(20.09)	-
Premium Aircraft Leasing Co. Ltd.	-	(0.10)	0.10	-	-	-	(0.03)	-	(0.03)	-

Note 44.

The Company has regrouped / reclassified the previous year figures to conform to the current year's presentation.

For and on behalf of the Board

Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operations
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 30, 2013

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor,
Senapati Bapat Marg, Elphinstone Road (West),
Mumbai 400013.

PKF SRIDHAR & SANTHANAM
Chartered Accountants
KRD Gee Gee Crystal
No. 91/92, 7th Floor
Dr. Radhakrishnan Salai, Mylapore
Chennai 600 004.

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF

THE INDIAN HOTELS COMPANY LIMITED

Report on the Condensed Financial Statements

We have audited the accompanying condensed financial statements of **THE INDIAN HOTELS COMPANY LIMITED** (the "Company"), which comprise the Condensed Balance Sheet as at 31st December, 2013, the Condensed Statement of Profit and Loss for the quarter and nine months period then ended, the Condensed Cash Flow Statement for the nine months period then ended and selected explanatory notes.

Management's Responsibility for the Condensed Financial Statements

The Company's Management is responsible for the preparation of these condensed financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standard 25 'Interim Financial Reporting' ("AS 25") notified under the Companies Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013) and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these condensed financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the condensed financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the condensed financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the condensed financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed financial statements give a true and fair view in conformity AS 25 and the accounting principles generally accepted in India:

(a) in the case of the Condensed Balance Sheet, of the state of affairs of the Company as at 31st December, 2013;

(b) in the case of the Condensed Statement of Profit and Loss, of the net profit for the quarter and net loss for the nine months period ended 31st December, 2013 of the Company; and

(c) in the case of the Condensed Cash Flow Statement, of the cash flows of the Company for the nine month period ended on that date.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No.117366W/W-100018)

SANJIV V. PILGAONKAR
(Partner)
(Membership No. 39826)

For PKF SRIDHAR & SANTHANAM
Chartered Accountants
(Firm Registration No. 003990S)

S. RAMAKRISHNAN
(Partner)
(Membership No. 18967)

MUMBAI, 11th February, 2014

AUDITED STANDALONE CONDENSED BALANCE SHEET AS AT DECEMBER 31, 2013

Particulars	**As at December 31, 2013 ₹ Crores**	As at March 31, 2013 ₹ Crores
Equity and Liabilities		
Shareholders' Funds:		
Share Capital	**80.75**	80.75
Reserves and Surplus	**2,960.41**	3,226.90
	3,041.16	3,307.65
Non-current liabilities		
Long-term Borrowings	**2,371.29**	2,268.13
Deferred Tax Liabilities (net)	**116.61**	95.50
Other Long-term Liabilities	**77.18**	74.75
Long-term Provisions	**605.55**	674.42
	3,170.63	3,112.80
Current liabilities		
Short-term Borrowings	**241.66**	193.54
Trade Payables	**166.62**	152.47
Other Current Liabilities	**529.74**	343.01
Short-term Provisions	**104.82**	116.75
	1,042.84	805.77
Total	**7,254.63**	7,226.22
Assets		
Non-current Assets		
Fixed Assets		
Tangible assets	**1,690.64**	1,745.30
Intangible assets	**12.94**	11.16
Capital Work-in-Progress	**400.74**	307.50
Intangible Assets Under Development	**7.97**	1.73
	2,112.29	2,065.69
Non-current Investments	**3,096.75**	3,369.14
Long-term Loans and Advances	**1,677.67**	1,441.02
Other Non-current Assets	**10.27**	12.36
	6,896.98	6,888.21
Current assets		
Inventories	**42.14**	38.37
Trade Receivables	**172.68**	125.22
Cash and Bank Balances	**28.96**	48.96
Short-term Loans and Advances	**87.32**	92.69
Other Current Assets	**26.55**	32.77
	357.65	338.01
Total	**7,254.63**	7,226.22

In terms of our report attached.

For Deloitte Haskins & Sells LLP	**For PKF Sridhar & Santhanam**	**For and on behalf of the Board**
Chartered Accountants	Chartered Accountants	
Sanjiv V. Pilgaonkar	**S. Ramakrishnan**	**Anil P. Goel**
Partner	Partner	Executive Director - Finance

Mumbai, February 11, 2014

AUDITED STANDALONE CONDENSED STATEMENT OF PROFIT AND LOSS FOR NINE MONTHS ENDED DECEMBER 31, 2013

Particulars	For quarter ended December 31, 2013 ₹ Crores	For quarter ended December 31, 2012 ₹ Crores	For nine months ended December 31, 2013 ₹ Crores	For nine months ended December 31, 2012 ₹ Crores
Revenue				
Rooms, Restaurants, Banquets and Other Operating Income	**564.24**	544.55	**1,351.79**	1,320.03
Other Income	**7.14**	6.10	**44.20**	39.33
Total	**571.38**	550.65	**1,395.99**	1,359.36
Expenses				
Food and Beverages Consumed	**51.92**	47.01	**127.14**	120.06
Employee Benefit Expense and Payment to Contractors	**120.26**	112.27	**348.64**	352.49
Finance Costs	**24.94**	25.21	**75.66**	78.44
Depreciation and Amortisation	**29.96**	30.49	**90.29**	93.57
Other Operating and General Expenses	**233.92**	233.86	**639.04**	609.86
Total	**461.00**	448.84	**1,280.77**	1,254.42
Profit Before Tax and Exceptional Items	**110.38**	101.81	**115.22**	104.94
Exceptional Items	**(6.21)**	(1.50)	**(304.60)**	(8.20)
Profit/ (Loss) Before Tax	**104.17**	100.31	**(189.38)**	96.74
Tax Expenses				
Provision for Taxes (Including Adjustment relating to Earlier Years)	**38.66**	35.69	**35.65**	34.45
Total	**38.66**	35.69	**35.65**	34.45
Profit/ (Loss) After Tax	**65.51**	64.62	**(225.03)**	62.29
Earnings Per Share -				
Basic and Diluted - (₹)	**0.81**	0.82	**(2.79)**	0.79
Face Value per Ordinary share - (₹)	**1.00**	1.00	**1.00**	1.00
See selected explanatory notes - Schedule 1				

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

For PKF Sridhar & Santhanam
Chartered Accountants

For and on behalf of the Board

Sanjiv V. Pilgaonkar
Partner

S. Ramakrishnan
Partner

Anil P. Goel
Executive Director - Finance

Mumbai, February 11, 2014

AUDITED STANDALONE CONDENSED STATEMENT OF CASH FLOW FOR THE NINE MONTHS ENDED DECEMBER 31, 2013

₹ crores

Particulars	**For the nine months ended December 31, 2013**	For the nine months ended December 31, 2012
Net Cash (used in) / generated from operating activities	**203.73**	147.77
Net Cash (used in) / generated from investing activities	**(147.53)**	(145.68)
Net Cash (used in) / generated from financing activities	**(76.97)**	3.13
Net Increase / (decrease) in Cash and Cash equivalents	**(20.77)**	5.22
Cash and Cash Equivalents at the beginning of the period	**34.82**	22.88
Cash and Cash Equivalents at the end of the period	**14.05**	28.10
Reconciliation of Cash and Cash Equivalents with Cash and Bank Balances as per the Balance Sheet		
Cash and Cash Equivalents at the end of the period	**14.05**	28.10
Add : Other Cash and Bank Balances		
Call and Short-term Deposits	**0.33**	0.24
Deposits pledged with others	**0.58**	1.44
Margin money deposits	**0.93**	0.65
Earmarked balances	**13.77**	4.72
Cash and Bank Balances as per the Balance Sheet	**29.66**	35.15
Less : Classified as Non-Current	**0.70**	1.61
Cash and Bank Balances classified as Current	**28.96**	33.54

In terms of our report attached.

For Deloitte Haskins & Sells LLP	**For PKF Sridhar & Santhanam**	**For and on behalf of the Board**
Chartered Accountants	Chartered Accountants	
Sanjiv V. Pilgaonkar	**S. Ramakrishnan**	**Anil P. Goel**
Partner	Partner	Executive Director - Finance

Mumbai, February 11, 2014

TAJ
Hotels Resorts and Palaces

Schedules annexed to and forming part of the Condensed Financial Statements for the nine months ended December 31, 2013

SCHEDULE 1

SELECTED EXPLANATORY NOTES

1. These Interim Financial Statements have been prepared in accordance with the Accounting Standard (AS) 25 on "Interim Financial Reporting" and should be read in conjunction with the annual financial statements of the Company as at / for the year ended March 31, 2013. In the opinion of the Management all adjustments which are necessary for a fair presentation have been included. The accounting policies followed in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of Annual Financial Statements. The results of the interim period are not necessarily an indication of the result that may be expected for any interim period / for full year.

2. In view of the seasonality of the sector, the financial results for the nine months ended December 31, 2013 are not indicative of the full year's expected performance. Traditionally period from April to September is off season period and October to March is peak season period.

3. Material Charges :

   At a meeting of the Board of Director's of the company held on 8th November 2013, after taking into account all factors, the current economic environment as also other opportunities and priorities for the company, the Board has decided not to pursue the offer that it had made to the Board of Orient-Express Hotels Limited in October 2012 seeking their consent for the Company to acquire all the outstanding 93.1% Class A Common Shares of Orient-Express hotels Limited.

   In view of the foregoing, the company has reviewed its current value of long term strategic investments, held either directly or through its overseas subsidiaries, and considered it prudent to recognize a further diminution in its investment in Taj International Hotels (HK) Limited (a WOS) by an amount of ₹ 287 crores in the quarter ended September 30, 2013.

4. Disclosure of segment-wise information is not applicable, as hoteliering is the Company's only business segment.

5. Contingent liabilities

   There is no material change, since the last Annual Financial Statements

6. Earnings per share (EPS)

Particulars		For the quarter ended December 31, 2013 ₹ Crores (Audited)	For the quarter ended December 31, 2012 ₹ Crores (Audited)	For the nine months ended on December 31, 2013 ₹ Crores (Audited)	For the nine months ended on December 31, 2012 ₹ Crores (Audited)
Profit/ (Loss) after tax		6551	6462	(22503)	6229
Weighted average number of Equity shares used in computing Basic earnings per share	Nos.	80,74,72,787	80,74,72,787	80,74,72,787	79,31,60,060
Face value of equity shares	₹	1/-	1/-	1/-	1/-
Basic and Diluted earnings per share (not annualized)	₹	0.81	0.82	(2.79)	0.79

7. The figures of previous period have been regrouped / re-classified, wherever necessary to conform to the current period's classification.

For and on behalf of the Board

Anil P. Goel
Executive Director - Finance

Mumbai, February 11, 2014

INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
THE INDIAN HOTELS COMPANY Limited

Introduction

1. We have reviewed the accompanying Statement of Consolidated Condensed Financial Statements of **THE INDIAN HOTELS COMPANY Limited** (the "Company") its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") for the nine months ended December 31, 2013 (the "Statement"). Which comprise of Consolidated Condensed Balance Sheet as at 31st December, 2013, the Consolidated Condensed Statement of Profit and Loss and the Consolidated Condensed Cash Flow Statement for the nine months ended 31st December, 2013. These Statement has been approved by the Board of Directors of the Company and is the responsibility of the Company's Management. Our responsibility is to express a conclusion on the Statement based on our review, which have been prepared in accordance with the requirements of the Accounting Standard (AS) 25 "Interim Financial Reporting" notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India.

Scope of Review

2. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   The Statement includes the results of the following entities (including step down subsidiaries):

Name of Company
The Indian Hotels Company Limited
Subsidiaries
TIFCO Holdings Ltd.
TIFCO Security Services Ltd.*
Taj SATS Air Catering Ltd.
KTC Hotels Ltd.*
United Hotels Ltd.*
Roots Corporation Ltd.
Residency Foods & Beverages Ltd.*
PIEM Hotels Ltd.
Benares Hotels Ltd.
Inditravel Pvt. Ltd.*
Taj Trade & Transport Co. Ltd.*
Ideal Ice & Cold Storage Co. Ltd.*
Taj Rhein Shoes Co. Ltd.*
Taj Enterprises Ltd.*
Northern India Hotels Ltd.*
Samsara Properties Ltd.

Name of Company
Taj International Hotels (H.K.) Ltd.*
St. James Court Hotels Ltd.
Apex Hotel Management Services (Pte) Ltd.*
Chieftain Corporation N.V.*
Taj International Hotels Ltd.*
International Hotel Management Services, Inc.
• IHMS LLC – Boston
• IHMS LLC - San Francisco
• IHMS LLC – USA
IHMS (Australia) Pty. Ltd.*
IHOCO BV.*
PIEM International (HK) Ltd.*
Jointly Controlled Entities
Taj Madras Flight Kitchen Pvt. Ltd.*
Taj Kerala Hotels & Resorts Ltd.*
Taj Karnataka Hotels & Resorts Ltd.*
Taj GVK Hotels & Resorts Ltd. **
Taj Safaris Ltd.*
TAL Hotels & Resorts Ltd.*
IHMS Hotels (SA) Pty. Ltd*
Kaveri Retreat & Resorts Ltd *
Associates
Oriental Hotels Ltd.
Taida Trading & Industries Ltd.*
Taj Madurai Ltd.*
BJets Pte Ltd.*
Lanka Island Resorts Ltd.*
TAL Lanka Hotels PLC*

* Based on the Management certified financial statements.
** Based on the Reviewed financial results

Basis for Qualified Conclusion

3. The financial results of seventeen subsidiaries which reflect the Group's share of Revenue of ₹ 20,497 lakhs, Group's share of Total Assets (net) ₹ 44,739 lakhs and Group's share of net cash inflows ₹ 1,553 lakhs, the financial results of eight jointly controlled entities (Includes a component for which only results were reviewed) which reflect the Group's share of Revenue of ₹ 9,705 lakhs, Group's share of Total Assets (net) ₹ 57,838 lakhs and Group's share of net cash outflows ₹ 1,119 lakhs and the financial results of five associates which reflect the Group's net share of Loss after Tax of ₹ 492 lakhs for the nine months ended December 31, 2013 have not been reviewed / audited by their auditors. These interim financial information have been certified by the Management of the respective entities.

Qualified Conclusion

4. Based on our review, and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph and except for the possible effects of the matter described under Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the

accompanying Statement is not prepared, in all material respects, in accordance with the requirements of AS-25 and other accounting principles generally accepted in India.

Other Matter

5. The Statement reflects the Group's share of Revenues of ₹ 106,614 lakhs, the Group's share of Total Assets (Net) ₹ 516,522 lakhs and the Group's share of net cash inflows ₹ 1,112 lakhs, relating to eleven subsidiaries (including step down subsidiaries), the financial results of an jointly controlled entity (Includes a component for which only results were reviewed) which reflect the Group's share of Revenue of ₹ 4,590 lakh, Group's share of Total Assets (net) ₹ Nil lakh and Group's share of net cash inflows ₹ Nil lakh and the financial results of an associate which reflect the Group's share of loss after tax of ₹ 419 lakhs, as considered in the Statement, whose results have been reviewed by other auditors. Accordingly, our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and associates, is based solely on the reports of such other auditors which have been furnished to us.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
((FRN- 117366W/W- 100018))

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

MUMBAI, 11th February, 2014

TAJ
Hotels Resorts and Palaces

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2013

Particulars	As at December 31, 2013 ₹ Crores	As at March 31, 2013 ₹ Crores
Equity and Liabilities		
Shareholders' Funds		
Share Capital	**80.75**	80.75
Reserves and Surplus	**2,686.07**	2,898.53
	2,766.82	2,979.28
Minority Interest	**747.24**	707.72
Non-current liabilities		
Long-term Borrowings	**3,703.46**	3,431.18
Deferred Tax Liabilities (net)	**147.22**	128.79
Other Long-term Liabilities	**78.15**	76.22
Long-term Provisions	**631.36**	695.98
	4,560.19	4,332.17
Current liabilities		
Short-term Borrowings	**311.01**	247.67
Trade Payables	**348.65**	319.96
Other Current Liabilities	**795.80**	574.63
Short-term Provisions	**122.38**	135.13
	1,577.84	1,277.39
Total	**9,652.09**	9,296.56
Assets		
Non-current Assets		
Fixed Assets		
Tangible assets	**5,687.49**	5,342.48
Intangible assets	**55.33**	40.46
Capital Work-in-Progress	**527.90**	400.57
Intangible Assets Under Development	**11.22**	20.93
	6,281.94	5,804.44
Goodwill on consolidation (net)	**514.44**	512.83
Non-current Investments	**1,356.37**	1,522.61
Deferred Tax Assets (Net)	**5.79**	4.45
Long-term Loans and Advances	**523.08**	476.42
Other Non-current Assets	**26.24**	26.49
	8,707.86	8,347.24
Current assets		
Current Investments	**22.39**	40.69
Inventories	**110.04**	96.74
Trade Receivables	**354.71**	273.98
Cash and Bank Balances	**169.51**	210.06
Short-term Loans and Advances	**221.32**	256.04
Other Current Assets	**66.26**	71.81
	944.23	949.32
Total	**9,652.09**	9,296.56

See selected explanatory notes – Schedule 1

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, February 11, 2014

For and on behalf of the Board

Raymond N. Bickson
Managing Director

Anil P. Goel
Executive Director - Finance

TAJ
Hotels Resorts and Palaces

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS ENDED DECEMBER 31, 2013

Particulars	For nine months ended December 31, 2013 ₹ Crores (Reviewed)
Revenue	
Rooms, Restaurants, Banquets and Other Operating Income	2,972.23
Other Income	48.74
Total	**3,020.97**
Expenses	
Food and Beverages Consumed	316.05
Employee Benefit Expense and Payment to Contractors	1,019.48
Finance Costs	128.24
Depreciation and Amortisation Expenses	232.59
Other Operating and General Expenses	1,246.56
Total	**2,942.92**
Profit Before Tax and Exceptional Items	**78.05**
Exceptional Items Gain / (Loss)	(391.28)
Profit / (Loss) Before Tax	**(313.23)**
Provision for Taxes (Including Adjustment relating to Earlier Years)	50.25
Profit / (Loss) After Tax before Minority Interest & Share of Associates	**(363.48)**
Less : Minority Interest in Subsidiaries	(20.41)
Add : Share of Profit / (Loss) of Associates	(9.11)
Profit / (Loss) After Minority Interest & Share Of Associates	**(393.00)**
Earnings Per Share -	
Basic and Diluted - (₹)	(4.87)
Face Value per Ordinary share - (₹)	1.00
See selected explanatory notes – Schedule 1	

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, February 11, 2014

For and on behalf of the Board

Raymond N. Bickson
Managing Director

Anil P. Goel
Executive Director - Finance

TAJ Hotels Resorts and Palaces

UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED CASH FLOW FOR THE NINE MONTHS ENDED DECEMBER 31, 2013

₹ crores

Particulars	**For the nine months ended December 31, 2013**
Net Cash (used in) / generated from operating activities	**329.69**
Net Cash (used in) / generated from investing activities	**(137.31)**
Net Cash (used in) / generated from financing activities	**(204.73)**
Net Increase / (decrease) in Cash and Cash equivalents	**(12.35)**
Cash and Cash Equivalents at the beginning of the period	**123.60**
Impact of Change in stake in JV	**-**
Adjustment for Translation of Foreign Currency Balances	**4.74**
Cash and Cash Equivalents at the end of the period	**115.99**
Reconciliation of Cash and Cash Equivalents with Cash and Bank Balances as per the Balance Sheet	
Cash and Cash Equivalents at the end of the period	**115.99**
Add : Other Cash and Bank Balances	
Call and Short-term Deposits	**46.49**
Deposits pledged with others	**0.83**
Margin money deposits	**5.70**
Earmarked balances	**22.07**
Cash and Bank Balances as per the Balance Sheet	**191.08**
Less : Classified as Non-Current	**21.57**
Cash and Bank Balances classified as Current	**169.51**

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, February 11, 2014

For and on behalf of the Board

Raymond N. Bickson
Managing Director

Anil P. Goel
Executive Director - Finance

Schedule 1

SELECTED EXPLANATORY NOTES

1. These condensed consolidated interim financial statements are prepared for the use by the Board of Directors solely in connection with the proposed Rights issue of the Company and have been prepared using the same basis / accounting policies as those used for the audited consolidated financial statements for the year ended 31 March 2013.

   The Management has prepared these financial statements in accordance with the recognition and measurement principles as laid down in AS 25 on "Interim Financial reporting". Comparative figures / information for the previous comparable periods i.e. period 1 April 2012 to 31 December 2012 in respect of statement of Profit & Loss and Cash flow Statement have not been presented as this is the first time that company is preparing consolidated condensed financial statements.

2. The list of subsidiaries, jointly controlled entities and associates, which are included in the consolidation with their respective country of incorporation and the Group's holding therein, is given below: -

   (i) Subsidiary Companies

		As at December 31, 2013	
	Country of Incorporation	**Directly by Parent or through its subsidiaries Holding (%)**	**Effective Holding (%)**
Domestic			
Benares Hotels Ltd.	India	53.70	51.68
Ideal Ice & Cold Storage Co. Ltd.	India	55.00	47.43
Inditravel Ltd	India	96.67	77.19
KTC Hotels Ltd.	India	100.00	100.00
Northern India Hotels Ltd.	India	93.14	48.03
Piem Hotels Ltd.	India	51.57	51.57
Residency Foods & Beverages Ltd.	India	100.00	99.36
Roots Corporation Ltd.	India	66.93	63.25
Taj Enterprises Ltd.	India	90.59	74.70
Taj Rhein Shoes Co. Ltd.	India	92.50	71.63
Taj SATS Air Catering Ltd.	India	51.00	51.00
Taj Trade & Transport Ltd.	India	89.51	72.73
TIFCO Holdings Limited	India	100.00	100.00
TIFCO Security Services Ltd.	India	100.00	100.00
United Hotels Ltd.	India	55.00	55.00
International			
Apex Hotel Management Services (Pte) Ltd.	Singapore	100.00	100.00
Chieftain Corporation NV	Netherlands Antilles	100.00	100.00
IHMS (Australia) Pty. Ltd.	Australia	100.00	100.00
IHOCO BV	Netherlands	100.00	100.00
International Hotel Management Services Inc. and its Limited Liability companies (IHMS Inc.)	United States of America	100.00	100.00
Piem International (HK) Ltd.	Hong Kong	100.00	51.57
Samsara Properties Ltd.	British Virgin Islands	100.00	100.00
St. James Court Hotel Ltd.	United	89.39	72.25

	Country of Incorporation	As at December 31, 2013 Directly by Parent or through its subsidiaries Holding (%)	Effective Holding (%)
	Kingdom		
Taj International Hotels (HK) Ltd.	Hong Kong	100.00	100.00
Taj International Hotels Ltd.	United Kingdom	100.00	100.00

Footnotes:

Investments in the following subsidiaries are held for disposal.

- BAHC 5 Pte Ltd.
- Premium Aircraft Leasing Corporation Ltd.

(ii) Jointly Controlled Entities

	Country of Incorporation	As at December 31, 2013 Directly by Parent or through its subsidiaries Holding (%)	Effective Holding (%)
Domestic			
Taj Madras Flight Kitchen Pvt. Ltd.	India	50.00	50.00
Taj Karnataka Hotels & Resorts Ltd.	India	49.40	44.27
Taj Kerala Hotels & Resorts Ltd.	India	28.30	28.30
Taj GVK Hotels & Resorts Ltd.	India	25.52	25.52
Taj Safaris Ltd.	India	39.89	35.10
Kaveri Retreat & Resorts Ltd.	India	50.00	50.00
International			
TAL Hotels & Resorts Ltd.	Hong Kong	28.26	27.49
IHMS Hotels (SA)(Pty) Ltd.	South Africa	50.00	50.00

(iii) Associates

Domestic			
Oriental Hotels Ltd. (Refer Footnote (i))	India	37.05	35.67
Taj Madurai Ltd.	India	26.00	26.00
Taida Trading and Industries Ltd. (Refer Footnote (ii))	India	48.74	34.76
International			
BJets Pte Ltd. (Refer Footnote (ii))	Singapore	45.69	45.69
Lanka Island Resorts Limited	Sri Lanka	24.66	24.66
TAL Lanka Hotels PLC	Sri Lanka	24.62	24.62

Footnotes :

(i) Including 5.40% of the shares held in the form of Global Depository Receipts (GDR).

(ii) The carrying amount of the investment has been reported at Nil value, as the Group's share of losses exceeds the cost/carrying value.

3. In view of the seasonality of the sector, the financial results for the nine months ended December 31, 2013 are not indicative of the full year's expected performance. Traditionally period from April to September is off season period and October to March is peak season period.

4. Material Charges :

   At a meeting of the Board of Director's of the company held on 8th November 2013, after taking into account all factors, the current economic environment as also other opportunities and priorities for the company, the Board has decided not to pursue the offer that it had made to the Board of Orient-Express Hotels Limited in October 2012 seeking their consent for the Company to acquire all the outstanding 93.1% Class A Common Shares of Orient-Express hotels Limited.

   In view of the foregoing, the company has reviewed its current carrying value of its investment in Orient-Express Hotels Limited and considered it prudent to recognize a further diminution in the value thereof by an amount of ₹ 365.00 crores, including related costs incurred so far.

5. Contingent liabilities and Other Commitments

   There is no material change, since the last Annual Financial Statements.

6. The Group regards the business segment as primary segments. The business segments have been classified as follow.

   - Hoteliering.
   - Others – comprising of Air catering and investing activities.

The disclosures in respect of the above business segments are as under:

Business

	Hoteliering December 31, 2013 ₹ crores	**Others December 31, 2013 ₹ crores**	**Total December 31, 2013 ₹ crores**
Segment Revenue	**2,772.20**	**200.03**	**2,972.23**
Segment Result	**168.03**	**(10.49)**	**157.54**
Segment Capital Employed	**6,075.94**	**212.56**	**6,288.50**

Footnotes :

(i) Unallocated assets include Goodwill on consolidation, Non - Current Investments, Cash and Bank Balance, Deferred Tax Assets, Advance Tax and other current assets which are not directly attributable to segments

(ii) Unallocated Liabilities includes Long Term Borrowings, deferred tax liabilities, Provision for tax, Short Term Borrowings, Premium on redemption of debenture Current and Non-current Borrowings, Interest accrued but not due, Interest accrued and due and other current liabilities which are not directly attributable to segments

7. Earnings per share (EPS)

Particulars	**Reviewed**	
	For the Quarter ended December 31, 2013	**For the nine months ended December 31, 2013**
Profit / (Loss) after Taxes, Minority Interest and Share of Associates (₹ Crores)	**59.57**	**(393.00)**
Weighted average number of Equity shares used in computing Basic earnings per share (Nos.)	**80,74,72,787**	**80,74,72,787**
Face value of equity shares (₹)	**1/-**	**1/-**
Earnings per share (not annualized) (₹) Basic and Diluted	**0.74**	**(4.87)**

For and in behalf of the Board

Anil P. Goel
Executive Director – Finance

Mumbai, February 11, 2014

WORKING RESULTS

In accordance with circular no.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977, our working results on a standalone basis for the period from April 1, 2013 to February 28, 2014 are set out in the table below:

Particulars	(₹ in crores)
Sales/ Turnover	1,752.00
Other Income	45.70
Total Income	**1,797.70**
Estimated Gross Profit/ Loss (excluding depreciation, interest and taxes)	408.78
Provision for depreciation	110.51
Provision for taxes	68.27
Estimated Net Profit/ Loss	(181.24)

Material changes and commitments, if any, affecting our financial position

For details in relation to material changes affecting the financial position of the Company, see section "Material Developments" on page 199.

MATERIAL DEVELOPMENTS

Except as stated in this Draft Letter of Offer, to our knowledge, no circumstances have arisen since December 31, 2013 which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

Recent Developments

The Company had undertaken a year end review for evaluation of the need of any other temporary diminution in the value of its long term investments and the impact thereof on the standalone and consolidated financial statements for the financial year ending March 31, 2014 as required under Indian Accounting Standards. This review was undertaken taking into account the external and domestic economic environment and the anticipated future performance of the investee companies. Based on the above, the Company expects an additional non-cash provision in respect of its investments/ financial exposures in the standalone statement of profit and loss of around ₹ 400 crores and a provision of around ₹ 100 crores in the consolidated statement of profit and loss for the year ended March 31, 2014.

The impairment is primarily due to a sustained depression in the macro economic and market environment domestically and internationally, and the adverse effect thereof on some of the investments. With the economic uncertainty expected to continue over the near and medium term, it has had an impact on the downward revision of projected cash flow expectations from some of the underlying affected investments.

We undertake to include the final figures in relation to aforesaid impairment in the annual results of the Company for the year ending March 31, 2014 and disclose in the Letter of Offer.

The financial covenants of the Company related to its borrowings are unaffected by the aforesaid impairment of investments.

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

The following tables present certain accounting and other ratios computed on the basis of (i) audited standalone financial statements of the Company as at and for the year ended March 31, 2013 (the "**Audited Standalone Financial Statements**"); (ii) audited consolidated financial statements of the Company as at and for the year ended March 31, 2013 (the "**Audited Consolidated Financial Statements**"); (iii) audited standalone financial statements of the Company as at and for the nine months period ended December 31, 2013 (the "**Audited Condensed Standalone Financial Statements**") and (iv) unaudited condensed consolidated financial statements as at and for the nine months period ended December 31, 2013 ("**Unaudited Condensed Consolidated Financial Statements**") included in the section "Financial Statements" on page 88:

Accounting Ratios

Particulars	**Consolidated**		**Standalone**	
	As at and for the financial year ended March 31, 2013(1)	**As at and for the nine months period ended December 31, 2013(2)**	**As at and for the financial year ended March 31, 2013(3)**	**As at and for the nine months period ended December 31, 2013(4)**
Basic and Diluted EPS (₹)	(5.40)	(4.87) (6)	(3.47)	(2.79) (6)
Return on Net-Worth (%) (5)	Not meaningful as EPS is negative	Not meaningful as EPS is negative	Not meaningful as EPS is negative	Not meaningful as EPS is negative
Net Asset Value per Equity Share (₹)	36.33	33.72	40.96	37.66

(1) Based on Audited Consolidated Financial Statements.
(2) Based on Unaudited Condensed Consolidated Financial Statements.
(3) Based on Audited Standalone Financial Statements
(4) Based on Audited Condensed Standalone Financial Statements
*(5) Annualised return on Net-Worth computed as (net rofit after tax for the period/ average Net-Worth for the period)*2*
(6) EPS for the period and not annualised

The ratios have been computed as below:

Ratios	**Computation**
Return on Net Worth (%)	$\dfrac{\text{Net Profit / (Loss) after tax, minority interest, share of profit of associates}}{\text{Average Net Worth for the year/period}}$
Net Asset Value per Share	$\dfrac{\text{Net Worth at the end of year/period}}{\text{Total number of fully paid-up Equity Shares at the end of the year/period}}$
Net Worth	paid-up equity share capital + all reserves (excluding revaluation reserves)

Standalone Capitalization Statement

₹ in crores

Particulars	**As at December 31, 2013**	**As adjusted for the Issue***
Equity Share Capital	80.75	[●]
Reserves and Surplus	2,960.41	[●]
Total Shareholders' Funds	3,041.16	[●]
Long Term Borrowings (including current maturities of long term borrowings) (excluding redemption premium on debenture)	2,579.78	[●]
Short Term Borrowings	241.66	[●]
Total Debt	2,821.44	[●]
Long-term debt/equity ratio	0.85	[●]

**To be updated at the time of filing of Letter of Offer*

STOCK MARKET DATA FOR EQUITY SHARES OF THE COMPANY

The Equity Shares are listed on the BSE and NSE. The CCDs have not been listed earlier and will be listed on the Stock Exchanges pursuant to this Issue. For further details, see section "Terms of the Issue" on page 223. We have received in-principle approvals for listing of the CCDs to be issued pursuant to this Issue from the BSE and the NSE by letters dated [●] and [●], respectively.

For the purpose of this section:

- Year is a calendar year;
- Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares for the year, or the month, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

The high, low and average market prices of the Equity Shares recorded on the BSE and the NSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Equity Shares)**	**Average (₹)**
2013	January 7, 2013	68.10	354,334	August 6, 2013	37.55	128,465	52.84
2012	February 17, 2012	80.00	386,102	November 12, 2012	51.30	199,554	62.58
2011	January 4, 2011	103.00	216,891	December 22, 2011	51.00	123,633	76.60

Source: www.bseindia.com

NSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Equity Shares)**	**Average (₹)**
2013	January 7, 2013	68.20	1,991,383	August 6, 2013	37.50	885,463	52.86
2012	February 17, 2012	80.00	1,914,001	June 4, 2012	53.00	432,615	62.61
2011	January 4, 2011	102.80	1,262,822	December 22, 2011	50.60	449,568	76.61

Source: www.nseindia.com

Monthly high and low prices and trading volumes on the Stock Exchanges for the six months preceding the date of filing of this Draft Letter of Offer are as stated below:

BSE							
Month	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Equity Shares)**	**Average (₹)**
March, 2014	March 5, 2014	74.00	141,077	March 14, 2014	67.95	57,708	70.46
February, 2014	February 24, 2014	72.75	682,665	February 10, 2014	56.00	29,799	62.31

BSE							
Month	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Equity Shares)**	**Average (₹)**
January, 2014	January 1, 2014	62.95	103,649	January 30, 2014	56.00	38,282	58.71
December, 2013	December 27, 2013	62.40	300, 617	December 2, 2013	48.00	65,389	55.69
November 2013	November 6, 2013	54.25	222,102	November 22, 2013	46.00	28,384	48.95
October 2013	October 30, 2013	51.35	233,498	October 1, 2013	47.05	53,130	48.80

Source: www.bseindia.com

NSE							
Month	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Equity Shares)**	**Average (₹)**
March, 2014	March 5, 2014	74.00	784,471	March 14, 2014	67.50	381,998	70.54
February, 2014	February 24, 2014	72.70	2,649,724	February 4 , 2014	56.00	134,879	62.42
January, 2014	January 1, 2014	62.90	431,805	January 30, 2014	56.10	332,569	58.75
December, 2013	December 27, 2013	62.50	1,215,221	December 2, 2013	48.00	184,871	55.77
November 2013	November 6, 2013	54.30	928,966	November 25, 2013	46.05	198,307	48.98
October 2013	October 30, 2013	51.40	699,760	October 3, 2013	47.00	196,236	48.83

Source: www.nseindia.com

Week end prices of Equity Shares along with the highest and lowest closing prices on the Stock Exchanges for the last four weeks preceding the date of filing of this Draft Letter of Offer is as stated below:

BSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
April 14, 2014	73.80	76.90	73.50
April 7, 2014	75.70	79.00	71.00
March 31, 2014	72.30	73.15	68.85
March 24, 2014	70.10	72.00	69.00

Source: www.bseindia.com

NSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
April 14, 2014	73.75	76.95	73.50
April 7, 2014	75.70	76.40	71.40
March 31, 2014	73.30	73.50	69.20
March 24, 2014	70.25	72.00	68.60

Source: www.nseindia.com

The closing market price of the Equity Shares of our Company as on one day prior to the date of the Draft Letter of Offer was ₹ 73.80 on the BSE and ₹ 73.75 on the NSE.

The Issue Price and Conversion Price of ₹ [●] and ₹ [●] per CCD, respectively, has been arrived at in consultation between the Company and the Lead Managers.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as disclosed below, there is no outstanding litigation against the Company and its Subsidiaries including, suits, criminal or civil prosecutions and taxation related proceedings that would have a material adverse effect on our operations or financial position.

Further, except as disclosed below, there is no outstanding litigation against the Company involving issues of moral turpitude, criminal liability, material violations of statutory regulations or economic offences and no such litigation had arisen against the Company in the preceding ten years.

A summary of litigation and disputes involving potential financial liability of one per cent or more of the consolidated revenue of the Company in the Financial Year 2013 for outstanding litigation and certain other litigation which we consider material is as follows:

Litigation against our Company

Criminal Proceedings

1. The Inspector, Weights and Measures, Jodhpur, has filed a criminal complaint before the Court of Judicial Magistrate, Jodhpur, against Mahipal Singh, the then General Manager, Vivanta by Taj, Hari Mahal Palace, Jodhpur, for alleged violation of Standards of Weights and Measures Act, 1976 and Rule 23(2) of the Standards of Weights and Measures (Packaged Commodities) Rules, 1977. Vivanta by Taj, Hari Mahal Palace, Jodhpur and Mahipal Singh were issued a notice by the Inspector pursuant to an inspection, for allegedly selling mineral water bottles at a price higher than the retail price and for indicating peg measures incorrectly. Mahipal Singh has filed his reply before the Additional Judicial Magistrate, Jodhpur stating that certain provisions of the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 were challenged in a writ petition before the Delhi High Court filed by the Federation of Hotel and Restaurants Association of India ("**FHRAI**"), of which Taj Hari Mahal Palace, Jodhpur, was also a member. The Delhi High Court had passed an order allowing the writ petition filed by FHRAI permitting hotels and restaurants to sell their products over and above the market price on the ground that service is also involved while serving the guests with the products. The order has been taken on record by the Rajasthan High Court at Jodhpur. The matter is currently pending.

2. The Additional Chief Judicial Magistrate, First Class, Gautam Buddha Nagar, Noida has issued two summons to Naveen Tomar, the then nominee under the Prevention of Food Adulteration Act, 1954, Skywok Restaurant and Ved Prakash, Chef, Skywok Restaurant, Noida respectively, in relation to adulterated samples of curd collected from Skywok Restaurant, Noida. Summons is yet to be served to Naveen Tomar and Ved Prakash. The matters are currently pending.

3. The Food Safety Officer, Department of Food Safety, Government of NCT of Delhi (the "**FSO**") has filed a criminal complaint before the Additional District Magistrate, New Delhi District, Jamnagar House, New Delhi against the Company, Neville Peminto, the then Food Business Manager and nominee of the Taj Palace Hotel, New Delhi, and others in relation to a misbranded sample of Shreebhog Idli Rava collected from Taj Palace Hotel, New Delhi and for violation of Section 26(2)(ii) of the Food Safety and Standards Act, 2006 and Regulation 2.3.2.1(a) of the Food Safety and Standard (Packaging and Labeling) Regulations, 2011. Neville Pimento and the Company have submitted their written statements to the Additional District Magistrate, New Delhi District, Jamnagar House, New Delhi and the FSO has submitted its reply to the same. The order has been reserved and the matter is currently pending.

4. The Wildlife Crime Control Bureau (the "**WCCB**") has filed a criminal complaint before the Additional Chief Metropolitan Magistrate Court, Delhi (the "**ACMM**"), against Digvijay Singh, the then General Manager, House of Ming, Taj Mahal Hotel, New Delhi (the "**TM Hotel**"), and others (the **Defendants**") in relation to sea cucumber found in possession of TM Hotel and which was also mentioned in the menu card provided by the restaurant. Since the sea cucumber was a scheduled animal under the Wildlife Protection Act, 1972, a violation of Sections 40(2), 49 and 49B of the Wildlife

Protection Act, 1972 was alleged against the Defendants. The ACMM had issued summons to the Defendants and had also issued process against TM Hotel and Digvijay Singh. Digvijay Singh has filed an application for revision before the Court of District and Sessions Judge, New Delhi (the "**Sessions Court**") for removal of his name from the array of Defendants on grounds that he cannot be held vicariously liable. The Sessions Court allowed the application for revision and quashed the summons issued in the name of Digvijay Singh. Meanwhile, WCCB made an application before the ACMM for substituting the Company as a party in place of TM Hotel and the ACMM allowed the application. TM Hotel has filed a petition before the Delhi High Court challenging the same. Consequently, WCCB has also filed an appeal before the Delhi High Court challenging the order of the Sessions Court for removal of Digvijay Singh's name. No notice has been issued to the Company in this regard. Meanwhile, the ACMM has commenced the trial and prosecution evidence is in process. The matters are currently pending.

5. The Health Department, State of Rajasthan has filed a criminal complaint before the Additional Chief Judicial Magistrate, First Class, Udaipur, against Taj Lake Palace Hotel, Udaipur, in relation to inferior sample of "paneer" used at the Taj Lake Palace Hotel, Udaipur without valid permission from the local municipal body. Taj Lake Palace Hotel, Udaipur has received summons in the name of the executives nominated under the Prevention of Food Adulteration Act, 1954. The Health Department, State of Rajasthan, also issued a notice to the Taj Lake Palace Hotel, Udaipur to provide a valid permit from the local municipal body or to close the restaurant serving the alleged inferior sample of "paneer". Taj Lake Palace Hotel, Udaipur has filed an application before the Additional Chief Judicial Magistrate, First Class, Udaipur to expedite the process of getting the report on the sample of "paneer" from the concerned department. The matter is currently pending.

6. The Inspector, Legal Metrology Department, Mumbai, has filed a criminal complaint before the Metropolitan Magistrate 9th Court, Mumbai, against Taj Lands End Hotel, Raymond N. Bickson, Managing Director of the Company and Vaibhav Mathur, Guest Service Officer, for violation of Sections 33 and 39(2) of the Standards of Weights and Measures Act, 1976 read with Rule 23(2) of the Standards of Weights and Measurement (Packaged Commodities) Rules, 1977 through alleged incorrect indication of peg measures for the Taj Lands End Hotel, Mumbai. Pursuant to an inspection conducted on the premises of the Taj Lands End Hotel, the Inspector, Legal Metrology issued a notice to the Taj Lands End Hotel for providing lesser quantity of liquor to customers than the quantity contracted and paid for, and for selling mineral water bottles at a price higher than the retail price. The matter is currently pending.

7. The Municipal Corporation of Greater Mumbai ("**MCGM**") has filed a criminal complaint before the Additional Chief Metropolitan Magistrate 39th Court, Mumbai against the Company, Rafiq Sayyed, General Manager, Administration and other executives of the Company, for allegedly endangering the lives of the occupants of Dayalashram building, Mumbai due to non-maintenance of the Dayalashram building. The Company had received a notice from the MCGM to carry out repair and other civil work to the building on grounds that the building required extensive repairs. The MCGM has filed an application for initiating process against the Company on grounds of non-compliance with its notice. The matter is currently pending.

8. MCGM has filed two criminal complaints before the Metropolitan Magistrate, 41st Court, Mumbai (the "**Metropolitan Magistrate**") against P.R.P. Ramakrishnan, the then Chief Engineer of Taj Mahal Palace, Mumbai (the "**TMP Hotel**") for using machines for carpentry work of a certain mechanical power without prior written permission from MCGM under Section 390 of the Mumbai Municipal Corporation Act, 1888 (the "**MMC Act**") in the basement of TMP Hotel and for using motive power for electrical equipments at TMP Hotel without obtaining the license allowing for such usage under Section 390 of the MMC Act (the "**Factory License**"). Pursuant to inspections by the Inspecting Officer, MCGM, notices were issued to P.R.P. Ramakrishnan which stated that the carpentry workshop license had been taken for the premises of TMP Hotel in relation to an earlier basement of the old premises, and the carpentry workshop license had not been renewed by TMP Hotel for the new premises. The Company filed its reply to the notices with a request to renew the carpentry workshop license. The TMP Hotel also renewed Factory License under protest. The Metropolitan Magistrate issued process against P.R.P. Ramakrishnan and TMP Hotel, pursuant to applications made by the MCGM. P.R.P. Ramakrishnan and TMP Hotel filed criminal revision applications before the Sessions Court challenging the same. P.R.P. Ramakrishnan and TMP Hotel also filed an appeal before the Sessions Court, Mumbai, challenging the issue of process by the Metropolitan Magistrate. Meanwhile,

TMP Hotel applied for renewal of the workshop license by paying the amount demanded by MCGM under protest. The Sessions Court passed two orders rejecting the criminal revision application and the appeal filed by the Company and remanded the matter to the Metropolitan Magistrate for trial. P.R.P. Ramakrishnan has filed a criminal writ petition before the Bombay High Court against the MCGM challenging one of the orders passed by the Sessions Court. The Bombay High Court has granted a stay on the proceedings at the Metropolitan Magistrate until further orders. The matters are currently pending.

9. The MCGM has filed a criminal complaint before the Metropolitan Magistrate, 39th Court, against the Company and Nilesh Mahajan, Chief Engineer, Taj Lands End Hotel, Mumbai and Marshall Dias, Human Resources Executive, Taj Lands End for operating electrical equipments in the bakery, confectionary and laundry at Taj Lands End Hotel, Mumbai without obtaining a valid license in terms of Section 390 of the MMC Act. Pursuant to a report based on an inspection conducted by the Assistant Engineer, Building and Factory Department, summons was issued to Taj Lands End Hotel, Mumbai and the executives. The Company replied to the report requesting the MCGM to not take any action in the matter as similar issues were raised in a criminal writ petition before the Bombay High Court. The MCGM has filed an application for process before the Metropolitan Magistrate, 39th Court. The matter is currently pending.

10. Criminal complaints have been filed before various courts in Varanasi, Lucknow and Chandigarh against certain executives of the Company for violation of the provisions of the Prevention of Food Adulteration Act, 1954, as amended, and rules thereunder in relation to misbranding of food items and adulterated samples of food collected from Taj Ganges Hotel, Varanasi (now known as The Gateway Hotel Ganges, Varanasi), a unit of Benaras Hotels Limited, Taj Residency, Lucknow (now known as Vivanta by Taj, Gomti Nagar, Lucknow), a unit of Piem Hotels Limited and Taj Chandigarh Hotel, a unit of Taj GVK Hotels and Resorts Limited. Taj Ganges Hotel, Varanasi and an executive of the Company were discharged in one of the matters by the trial court, which was challenged by the other party before the Allahabad High Court. The Allahabad High Court has remanded the matter to the trial court for fresh trial in that particular matter. The matters are currently pending.

11. Lieutenant Colonel Bhawani Singh has filed a contempt application before the Additional Civil Judge and Judicial Magistrate, Sawai Madhopur against N.R. Daruwala and certain executives of the Company for violation of the directions of the District Judge, Sawai Madhopur in relation to the Sawai Madhopur Lodge (the "**Lodge**").

In 1988, the Company had filed a petition for injunction and an application for temporary injunction before the District Judge, Sawai Madhopur, against Lieutenant Colonel Bhawani Singh and others, to restrain them from interrupting the Company from managing the Lodge under the operating agreement executed between the Company and the firm which owned the Lodge. The District Judge, Sawai Madhopur, appointed the Company as the receiver of the movable property in the Lodge and restrained the Company from disposal of movable articles from the Lodge and from altering its structure. The District Judge, Sawai Madhopur also directed the Company to restrain from carrying any business at the Lodge but allowed the application filed by the Company for temporary injunction against Lieutenant Colonel Bhawani Singh.

The contempt application filed by Lieutenant Colonel Bhawani Singh was dismissed by the Additional Civil Judge and Judicial Magistrate, Sawai Madhopur. Lieutenant Colonel Bhawani Singh filed an appeal before the District and Sessions Court Judge, Sawai Madhopur challenging the dismissal of his contempt application. The matter is currently pending.

12. Phonographic Performance Limited (the "**PPL**") has filed a criminal complaint before the Metropolitan Magistrate, Patiala House Court, New Delhi (the "**MM**") against the Company, Raymond N. Bickson, Managing Director of the Company and Arvind Bhargava, General Manager (Legal) of the Company for infringement of copyright by not obtaining valid public performance licenses for events held on Christmas eve and New Year's eve on the premises of Taj Palace Hotel, New Delhi. PPL has also sought that a first information report be filed against the Company, Raymond N. Bickson and Arvind Bhargava. The MM has directed the Investigation Officer, Chanakyapuri Police Station, New Delhi (the "**Investigation Officer**") to file an action taken report before the MM. The Investigation Officer has issued a notice to Taj Palace Hotel, New Delhi for joining the investigation. Taj Palace Hotel, New Delhi has filed its reply before the Investigation Officer and an action taken report has been filed by the

Investigation Officer before the MM.

In addition, PPL has filed a suit for declaration and permanent injunction along with an application for ex-parte ad-interim injunction before the Delhi High Court against the Company. The Delhi High Court granted ad-interim injunction against the Company and restrained the Company from playing sound recordings, the copyrights of which vest with the PPL, in the events organised by the Company. The matter is currently pending before the MM.

13. The State of Chandigarh has filed a criminal complaint before the Chief Judicial Magistrate, Chandigarh against Anil Malhotra, the then General Manager, Taj Chandigarh and others, for allegedly serving liquor beyond the stipulated time permitted in the excise license issued to Taj Chandigarh, a unit of Taj GVK Hotels and Resorts Limited, in violation of the provisions of the Punjab Excise Act, 1914. The matter is currently pending.

14. Ramya Nair has filed a criminal complaint before the Metropolitan Magistrate, New Delhi, against Rajeev Kumar Sharma, chef at Taj SATS Air Catering Limited, New Delhi, and other employees of a Costa Coffee outlet in Connaught Place, New Delhi in relation to a blade found in a sandwich which was, in turn, supplied by Taj SATS Air Catering Limited. A notice was issued to the Managing Director of Taj SATS Air Catering Limited, New Delhi, and Rajeev Kumar Sharma by the Station House Officer, Connaught Place, New Delhi. Bail has been granted to Rajeev Kumar Sharma. The matter is currently pending.

Civil Proceedings

1. Sonia Raj Sood, (the "**Petitioner**") has filed a public interest litigation before the Bombay High Court against the Company and others, challenging the sanction of additional FSI of 3.00 to the Company on various grounds in relation to construction of a convention centre-cum-hotel on a plot of land at Lands End, Mumbai, which was acquired by the Company by way of purchase of shares in the sub-lessee company, ELEL Hotels and Investments Limited (the "**ELEL**"). In 1979, ELEL had constructed the Hotel Sea Rock on the leased land which was subsequently demolished in 2009. The Ministry of Environment and Forests (the "**MoEF**") approved reconstruction of the hotel with FSI of 2.49. Subsequently, the Government of Maharashtra approved sanction of additional FSI of 3.00 to the Company for reconstruction of the hotel under the Development Control Rules, 1991, subject to environmental clearance from the MoEF. The Petitioner has *inter alia* alleged that the project is situated on an ecologically sensitive area as the land on which Hotel Sea Rock is to be constructed falls on Coastal Regulation Zone 1, various approvals granted were illegal, non-payment of proper stamp duty on transfer of sub-lease and that FSI had been sanctioned under two different statutes namely, Development Control Rules, 1967 and Development Control Rules, 1991.

   The Bombay High Court, at Mumbai (the "**High Court**") has passed an interim order stating that the Company shall not commence work on the site till the application pending with MoEF is decided. If MoEF grants clearance to the said project, in that case, a four weeks' notice is to be given to the Petitioner, prior to the commencement of the work. Similarly in case commencement certificate is to be issued, three weeks' notice is to be given to the Petitioner. The matter is currently pending.

2. Goa Foundation, a non-governmental organisation, has filed a writ petition before the Bombay High Court, Panaji bench, against the Company and others in relation to construction of 58 rooms in Taj Holiday Village. It has been alleged that phases III and IV of Taj Holiday Village was constructed without obtaining prior approval from the MoEF as the construction fell within 200 meters from the high tide line which had been earmarked as a no development zone under the Coastal Regulation Zone Notification dated February 19, 1991 issued by the MoEF. The Bombay High Court, Panaji bench, passed an order regularizing the construction work commenced in phases III and IV and the Company obtained the approval of the State Government for such construction.

   Certain parties had filed a special leave petition before the Supreme Court on similar issues. The Bombay High Court allowed the Company to file an intervention application before the Supreme Court as any order in the special leave petition filed by other parties may affect the interests of the Company in the matter. The matters are currently pending.

3. William Pike and Kelly Doyle (the "**Claimants**") had filed a claim before the High Court of Justice, Queen's Bench Division, London against the Company seeking compensation for the injuries sustained

by them during the terrorist attack on TMP Hotel on November 26, 2008. The Company had filed an application challenging the claim on the grounds of service as the High Court of Justice did not have requisite jurisdiction to try the claim and that the English courts were an inconvenient forum for this claim. Whilst the Claimants have conceded the service issue, the High Court of Justice has dismissed the Company's application on the issue of forum inconvenience upholding that English courts are an appropriate forum for the claim. The Company has filed an appeal before the High Court of Justice, Queen's Bench Division challenging the order. The matters are currently pending.

Notices

1. Taj Palace, New Delhi, has received a notice from the New Delhi Municipal Council ("**NDMC**") under Section 72 of the New Delhi Municipal Council Act, 1994 (the "**Notice**") for payment of revised property tax amounting to ` 42.54 crores in terms of calculation under Section 6 of the Delhi Rent Control Act, 1958 for certain previous remanded period. The Company has been paying property tax to the NDMC on basis of the cost of construction method for the period from 1983-84 to 1998-99. From the year 1983 onwards, the Company has received demands from the NDMC for payment of property tax in accordance with chapter V of the Delhi Rent Control Act, 1958. The Company had objected to the method of assessment of property tax, revision in the rateable value and the notice issued by NDMC.

   In 1996, the Company had filed a writ petition before the Delhi High Court challenging the assessment of property tax by NDMC. The Delhi High Court had set aside the demand for property tax and remanded the matter to NDMC for reassessment. Subsequently, in 1999, NDMC passed an assessment order partly allowing the objections filed by the Company and revising the property tax rate demanded from the Company for the years 1998-99 and 1999-2000. Several cases had also been filed against the NDMC by others challenging the assessment of property tax by the NDMC and all the assessments by NDMC were quashed by various courts and matters were remanded to NDMC for reassessment of property tax.

   Meanwhile, new bye-laws were notified under the New Delhi Municipal Council Act, 1994 in relation to property tax which came into effect on April 1, 2009. NDMC issued the Notice to the Company for assessment of property tax under the new bye-laws and the Company has submitted its objections to the same. The matter is currently pending for adjudication by NDMC.

2. Taj SATS Air Catering Limited, New Delhi, Arun Batra, chef at Taj SATS Air Catering Limited, New Delhi and others have received a notice from the Additional District Magistrate, New Delhi District, Jamnagar House, New Delhi, in relation to misbranding of a sample of vegetarian Pesto Panini collected from a Costa Coffee outlet in Connaught Place, New Delhi (the "**Costa Coffee Outlet**") which was in turn supplied by Taj SATS Air Catering Limited to the Costa Coffee outlet. The replies have been filed and orders are reserved in this regard. The matter is currently pending.

3. The Enforcement Directorate, Reserve Bank of India, Mumbai (the "**ED**"), has issued certain show cause notices under the erstwhile Foreign Exchange Regulation Act, 1973 to the Company, Anil P. Goel and others in respect of certain exchange control violations including irregularity with respect to information about fees received and payments made by the Company without obtaining permission of the RBI and failure to repatriate dues within the prescribed time period, for the period prior to 1998. The Company had replied to certain of these notices and requested ED to return certain documents filed with ED to enable the Company to file replies to the remaining show cause notices. The Company also filed a writ petition before the Bombay High Court for directing ED to return all original documents to the Company and for grant of stay on operation of the show cause notices issued by ED. The Bombay High Court has issued directions to the Company to file replies by May 31, 2014. Pursuant to the orders passed, ED had returned photocopies of files/documents and the Company is in the process of filing its replies. The matter is currently pending.

4. Uttar Pradesh Crime Branch, Economics Offences Wing, Meerut (the "**EOW, Meerut**"), has issued a notice to Raymond N. Bickson, the Managing Director of the Company, directing him to appear before the EOW, Meerut and give a statement in relation to an enquiry conducted by EOW, Meerut under the Prevention of Corruption Act, 1988, as amended, against the officials of the New Okhla Industrial Development Authority (the "**NOIDA Authority**") for irregularity in the process of allotment of certain plots in Noida. Raymond N. Bickson has filed his statement before the Investigation Officer,

Economics Offences Wing, Meerut. The matter is currently pending.

5. The New Delhi Municipal Council ("**NDMC**") has issued a notice to the Company in connection with the letter received by NDMC from the Land and Development Office, Ministry of Urban Development ("**LDO**") for outstanding dues payable by Hotel Taj Man Singh, New Delhi. The Company has replied to NDMC stating that the matter will be taken up directly with LDO, indemnifying NDMC and making requisite payments in case of any legitimate dues payable by the Company. The matter is currently pending.

Litigation by our Company

Civil Proceedings

1. The Company has filed a suit before the Delhi High Court against the New Delhi Municipal Council (the "**NDMC**") for declaration and a permanent injunction (the "**Suit for Injunction**") along with interim application from undertaking public auction to determine the market price of the license fee in relation to TM Hotel. The Company was operating TM Hotel pursuant to a revenue sharing arrangement with NDMC for a license period of 33 years. The Company sought an extension of the license period for a further period pursuant to an extension clause in the deed of license. Pending the consideration for extension of the license, NDMC extended the license period on two occasions for a short term period of one year each on revised license fee rates. However, NDMC decided to conduct a public auction in order to determine the market price of the license fee for TM Hotel with the right of first refusal to the Company and informed the Company that it would be required to match the highest bid in order to continue operating TM Hotel.

   Meanwhile, a third party had filed a special leave petition (the "**SLP**") before the Supreme Court challenging the dismissal of a writ petition filed by him by the Delhi High Court against the extension of the license term of TM Hotel granted by NDMC to the Company. Subsequently, the third party has also filed an application before the Delhi High Court for his impleadment as a defendant in the Suit for Injunction. The SLP has been dismissed as withdrawn by the Supreme Court and the Supreme Court has directed the Delhi High Court to decide the Suit for Injunction expeditiously and preferably within four months. The application for impleadment filed by the third party is pending before the Delhi High Court.

   In relation to the interim application filed by the Company, the Delhi High Court has passed an order stating that the Company shall have liberty to approach the Delhi High Court if any coercive action is taken by the NDMC regarding dispossession of TM Hotel. NDMC has issued a letter to the Company granting an extension of four months to the lease period of TM Hotel with effect from April 1, 2014. The matter is currently pending.

2. The Company had been granted a plot for TMP Hotel by way of three long term leases executed with the Trustees of the Mumbai Port Trust (the "**Mumbai Port Trust**") which expired in 1999 and 2001, respectively. The Company made applications to the Mumbai Port Trust requesting renewal of the terms of the lease deeds which should be made to run concurrently for a period of 99 years. Meanwhile, the Mumbai Port Trust had revised general rent rates for all its properties which were being challenged before the Bombay High Court and the Supreme Court by other tenants. Pending the approval of the revised rent by the courts, the Mumbai Port Trust renewed the lease of TMP Hotel for a term of 30 years on revised rates. The Company agreed to such renewal without prejudice to its right to get the leases renewed for a period of 99 years. In 2006, the Mumbai Port Trust further revised the rent, pursuant to its decision that all companies having a paid up capital exceeding ` 1 crore would be exempt from the Maharashtra Rent Control Act with effect from September 1, 2006.

   The Mumbai Port Trust by way of several letters alleged that the Company is liable for alleged unauthorised construction of mezzanine floors of TMP Hotel and arrears in service tax and has consequently delayed renewal of the lease. The Company also received notices issued by the Mumbai Port Trust for termination of the lease of TMP Hotel under the provisions of the Public Premises (Eviction of Unauthorised Occupants) Act, 1971. Consequently, the Company filed a suit before the Bombay High Court challenging the said notices as illegal, arbitrary and unreasonable and notice of motion has also been filed for relief for stay of the said two notices of termination. The Mumbai Port Trust filed a statement before the Bombay High Court that it shall not give effect to its notice of termination during the pendency of the suit and the statement continues to be in force till date. The matter is currently pending.

Litigation involving the Directors

Litigation filed against Raymond N. Bickson

1. The Inspector, Legal Metrology Department, Mumbai, has filed a criminal complaint before the Metropolitan Magistrate 9th Court, Mumbai, against Taj Lands End Hotel, Raymond N. Bickson, Managing Director of the Company and Vaibhav Mathur, Guest Service Officer, for violation of Sections 33 and 39(2) of the Standards of Weights and Measures Act, 1976 read with Rule 23(2) of the Standards of Weights and Measurement (Packaged Commodities) Rules, 1977 through alleged incorrect indication of peg measures for the Taj Lands End Hotel, Mumbai. For further details, see "Outstanding Litigation and Defaults – Litigation against the Company – Criminal Proceedings" on page 203.

2. Phonographic Performance Limited (the "**PPL**") has filed a criminal complaint before the Metropolitan Magistrate, Patiala House Court, New Delhi (the "**MM**") against the Company, Raymond N. Bickson, Managing Director of the Company and Arvind Bhargava, General Manager (Legal) of the Company for infringement of copyright by not obtaining valid public performance licenses for events held on Christmas eve and New Year's eve on the premises of Taj Palace Hotel, New Delhi. For further details, see "Outstanding Litigation and Defaults – Litigation against the Company – Criminal Proceedings" on page 203.

Notices

3. Uttar Pradesh Crime Branch, Economics Offences Wing, Meerut (the "**EOW, Meerut**"), has issued a notice to Raymond N. Bickson, the Managing Director of the Company, directing him to appear before the EOW, Meerut and give a statement in relation to an enquiry conducted by EOW, Meerut under the Prevention of Corruption Act, 1988, as amended, against the officials of the New Okhla Industrial Development Authority (the "**NOIDA Authority**") for irregularity in the process of allotment of certain plots in Noida. The matter is pending.

Litigation filed against K. B. Dadiseth

Securities and Exchange Board of India ("**SEBI**") had instituted proceedings against Hindustan Unilever Limited ("**HUL**") under the SEBI (Prohibition of Insider Trading) Regulations, 1992 (the "**Insider Trading Regulations**") for alleged insider trading with respect to shares of Brooke Bond Lipton (India) Limited ("**BBLIL**") which had merged with HUL in 1996. SEBI had issued show cause notices to HUL and its directors for purchasing shares of BBLIL prior to the merger and held HUL and its directors, including K. B. Dadiseth guilty of violation of Insider Trading Regulations. The order of SEBI was reversed by the appellate authority and HUL and its directors, including K. B. Dadiseth were exonerated. Subsequently, SEBI has filed a writ petition challenging the decision of the appellate authority before the Bombay High Court and also filed prosecutions against HUL and its directors, including K. B. Dadiseth. HUL and its directors, including K. B. Dadiseth, challenged the prosecution proceedings before the Bombay High Court. The proceedings continue to be pending without any substantive progress so far for the last 15 years.

Litigation filed against Nadir Godrej

1. Vipin Diwedi, an ex-employee who resigned from the services of Godrej Consumer Products Limited ("**GCPL**") filed a consumer complaint against GCPL, Nadir Godrej and other directors of GCPL for non-payment of gratuity amount. GCPL and the directors have filed their reply before the consumer forum. The matter is pending.

2. The Enforcement Directorate, Mumbai had alleged violation of provisions of the Foreign Exchange Regulation Act, 1973 ("**FERA**") by (i) Godrej Soaps Limited ("**GSL**"), (ii) Nadir Godrej, and (iii) A.B. Godrej on grounds of failure to receive foreign exchange for the imports carried out in 1977-1978. GSL, Nadir Godrej and A.B. Godrej, who were named in the show cause notices issued under FERA, filed three writ petitions before the Bombay High Court which were subsequently disposed off, with directions to the Special Director (Appeals) to hear the case on merits and in accordance with law. The matter is pending.

3. Bombay Municipal Corporation ("**BMC")** has filed a criminal case before the Metropolitan Magistrate's 41st Court at Shindewadi, Dadar against Godrej & Boyce ("**G&B**"), its managing director and other directors, in relation to sale of articles at one of the showrooms of G&B without obtaining license from the Municipal Commissioner. G&B has filed a writ petition before the Bombay High Court, which stayed by until further orders. The matter is pending

4. BMC has filed an application for the issue of process to the Metropolitan Magistrate's 42nd Court at Shindewadi, Dadar against G&B, its managing director and other directors for carrying out certain manufacturing activity in the premises of its Vikhroli plant without obtaining a certain license. G&B had filed writ petition before the Bombay High Court (the "**Petition**") to quash the criminal proceedings. The Petition was admitted and interim stay was granted whereby the criminal cases were stayed. The matter is pending.

5. The Legal Metrology Inspector has filed a criminal complaint against the directors of Mahindra and Mahindra including Nadir Godrej for alleged contravention of the Legal Metrology Act, 2009 and rules. Mahindra and Mahindra filed an application before the Nagpur Bench of the Bombay High Court, which stayed the criminal proceedings pending before the Magistrate which shall operate till the criminal application is finally disposed off. The matter is pending.

6. The Weights and Measures Department has filed two complaints before a Magistrates Court in Delhi against Godrej Consumer Products Limited ("**GCPL**") and all the directors of GCPL including Nadir Godrej. GCPL has filed two writ petitions before the Delhi High Court, at New Delhi to quash the criminal complaints, both of which have been dismissed.

Litigation filed against Anil P. Goel

The Enforcement Directorate, Reserve Bank of India, Mumbai (the "**ED**"), has issued certain show cause notices under the erstwhile Foreign Exchange Regulation Act, 1973 to the Company, Anil P. Goel and others in respect of certain exchange control violations including irregularity with respect to information about fees received and payments made by the Company without obtaining permission of the RBI and failure to repatriate dues within the prescribed time period, for the period prior to 1998. For further details, see "Outstanding Litigation and Defaults – Litigation against the Company – Notices" on page 207.

Action initiated by SEBI against the Entities operating in the Securities Market with which Directors are associated

Entities with which K.B. Dadiseth is associated

JM Financial Services Limited ("**JMFSL**")

1. SEBI had issued a warning in June 2004 to JMFSL on inspection of books and records of the JMFSL.

2. SEBI, by way of its letter dated July 13, 2010, has advised JMFSL to improve its back office and internal control systems in respect of mismatch in details of investors obtained by JMFSL in an initial public offering bidding process and depositories to minimise procedural lapses.

3. SEBI, by way of its letter dated September 26, 2013, has advised JMFSL to improve its compliance standards in its depository operations after an inspection conducted by SEBI.

ICICI Prudential Trust Limited ("**ICICI Pru**")

1. SEBI has issued a show cause notice to ICICI Pru, ICICI Asset Management Company Limited ("**ICICI AMC**") and its chief executive officer in respect of the performance of one of ICICI AMC's schemes relating to violation of stipulations on advertisements by mutual funds. SEBI has directed ICICI AMC to ensure that they abide by the stipulations on advertisements, as may be issued by SEBI from time to time, both in letter and spirit.

2. SEBI has issued a warning through its letter dated January 28, 2011 to ICICI AMC regarding its borrowings in excess of the regulatory limits.

3. SEBI has issued a warning through its letter dated December 20, 2013 to ICICI AMC regarding its borrowings in excess of the regulatory limits and excess exposure by its debt schemes to a particular sector.

GOVERNMENT AND OTHER APPROVALS

We are required to obtain approvals at various stages for the construction, management and operation of hotels and related assets which includes health licenses, environmental clearances, lodging house licences, no objection certificate from the chief fire officer, bar and liquor licences, permissions to use land for commercial purpose, approval for claiming income tax incentives and other applicable approvals. The requirement for such approvals for a particular hotel property may vary based on factors such as the legal requirement in the state in which the property is situated, the size of such hotels and the type of hotel or lodging service. Further, our obligation to obtain such approvals arises in the construction, management and operation of our hotels and related assets and applications for such approvals are made at the appropriate stage.

We have obtained necessary consents, licenses, permissions and approvals from the governmental and regulatory authorities that are required for carrying on our present business. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we shall apply for their renewal.

We have set out below, details of certain approval relating to four of our key hotel properties, namely, Taj Mahal Palace, Mumbai, Taj Lands End, Mumbai, Taj Mahal Hotel, New Delhi and Taj Palace Hotel, New Delhi, which have expired and applications for renewal have been made:

Taj Mahal Palace, Mumbai

1. Application dated January 23, 2014 made to Commissioner of Police, Brihan Mumbai HQ, Hotel (Licenses) Branch, Mumbai under the rules for controlling places for public amusement framed under the Mumbai Police Act, 1951, as amended, for a license for selling of tickets and performance license for Masala Kraft, Souk Bar & Rendezvous Restaurant, Ball Room and Star Board at the Taj Mahal Palace, Mumbai, for the year 2014.

2. Application dated December 9, 2013 made to the Office of the Electrical Inspector, Public Works Department, Government of Maharashtra under the Greater Bombay Swimming Pools (Licensing and Controlling) Rules, 1972, as amended, for a no objection certificate to keep and maintain a swimming pool at Taj Mahal Palace, Mumbai.

3. Application dated January 21, 2014 made to the Additional Collector, Entertainment Tax, Mumbai under the Bombay Entertainment Duty Act, 1923, as amended, in respect of renewal of Cable Operators License Certificate and Cable Operators Registration Certificate for the year 2014.

4. Application dated March 26, 2014 made to the Inspector, State Excise Duty, "A" Division, Mumbai, under the Bombay Prohibition Act, 1949, as amended, and Foreign Liquor Rules for renewal of excise and liquor licenses for Harbour and Wasabi restaurant, Sea Lounge, Masala Kraft, Golden Dragon, Souk Bar and Rendezvous restaurant, Star Board, Shamiana, Zodiac Grill, Ball Room – Club, The Chambers Club, Godown, La Patisserie and Taj Palace Lounge for the year 2014.

5. Application dated January 23, 2014 made to the Assistant Commissioner of Police, Mumbai under the Mumbai Police Act, 1951, as amended, for renewal of licenses to keep a for place for public entertainment under the Mumbai Police Act, 1951 for Taj lodging and boarding, Harbour Bar, Sea Lounge, Tanjore, Golden Dragon, Souk Bar and Rendezvous restaurant, Star Board, Shamiana and Zodiac Grill for the year 2014.

6. Application dated March 6, 2014 made to the Pest Control Office, Brihanmumbai Mahanagarpalika under the Bombay Municipal Corporation Act, 1888, as amended, for renewal of the permission for use of fountain at the Golden Dragon and Porch Garden for the year 2014.

7. Application dated February 15, 2014 made to the Phonographic Performance Limited under the Indian Copyright Act, 1957, as amended, for renewal of public performance license for musical works for the year 2014.

Taj Lands End, Mumbai

1. Application dated January 23, 2014 made to the Commissioner of Police, Brihanmumbai

Mahanagarpalika, under rules for controlling places for public amusement framed under the Mumbai Police Act, 1951, as amended, for a premises license for Atrium and Vista – Coffee Shop at Taj Lands End, Mumbai for 2014-15.

2. Application dated March 13, 2014 made to the Commissioner of Police, Brihanmumbai Mahanagarpalika under the rules for controlling places for public amusement framed under the Mumbai Police Act, 1951, as amended, for a premises license for Taj Lands End, Mumbai.

3. Application dated July 31, 2012 made to the Secretary (Labour), Industries, Energy and Labour Department under the Bombay Shops and Establishments Act, 1948, as amended, for the exemption from the provisions of the Bombay Shops and Establishments Act, 1948 relating to opening and closing hours of restaurants and eating houses and exempting application of the provision relating to women being required or allowed to work in any establishment after 8.30 p.m. at Taj Lands End, Mumbai.

4. Application dated March 13, 2014 made to the Assistant Commissioner of Police, Mumbai under the Bombay Police Act, 1951, as amended, for renewal of license to keep a place of public entertainment at Atrium Bar, Churchill Bar and Chinese Restaurant, Indian Restaurant and Bar, Coffee Shop Bar, Pool Side Bar and the hotel.

5. Application dated March 28, 2014 made to the Collector of Mumbai (M.S.D.) under the Bombay Prohibition Act, 1949, as amended, for renewal of the license for the sale at a hotel of imported foreign liquors (potable) and Indian made foreign liquors (potable) at Atrium Bar, Churchill Bar and Chinese Restaurant, Indian Restaurant Bar, Coffee Shop Bar, Pool Side Bar, The Chambers and Ming Yang Chinese Restaurant.

6. Application dated March 28, 2014 made to the Collector of Mumbai (M.S.D.) under the Bombay Prohibition Act, 1949, as amended, for renewal of the ordinary trade and import license for the removal from a customs frontier for the import and vend of foreign liquors (potable) including Indian made liquors (potable) at Taj Lands End, Mumbai.

Taj Mahal Hotel, New Delhi

1. Application dated March 11, 2014 made to the Medical Officer Health, NDMC under the NDMC Act, 1994, as amended, for renewal of eating house licenses in relation to Ricks, Machan, Varq and House of Ming for 2014-15, 2015-16 and 2016-17.

2. Application dated March 20, 2014 made to the Additional Commissioner of Police (Licensing), under the Delhi Police Act, 1978, as amended, for renewal of eating house license for Varq, Machan, House of Ming and Ricks for the years 2014-17.

3. Application dated March 20, 2014 made to the Additional Commissioner of Police (Licensing), under the Delhi Police Act, 1978, as amended, for renewal of lodging house license for the years 2014-17.

4. Application dated March 11, 2014 made to the Medical Officer Health, NDMC under the NDMC Act, 1994, as amended, for renewal of permission to run a staff cafeteria for the years 2014-17.

5. Application dated March 11, 2014 made to the Medical Officer Health, NDMC under the NDMC Act, 1994, as amended, for renewal of permission to run lodging facilities for the years 2014-17.

6. Application March 11, 2014 made to the Medical Officer Health, NDMC under the NDMC Act, 1994, as amended, for renewal of permission to use three DG gen-sets for the years 2014-17.

7. Application March 11, 2014 made to the Medical Officer Health, NDMC under the NDMC Act, 1994, as amended, for renewal of laundry license for the years 2014-17.

8. Application dated March 11, 2014 made to the Medical Officer Health, Food Handlers Division, NDMC under the NDMC Act, 1994, as amended, for renewal of food handler medical certificate for the years 2014-15.

9. Application dated March 24, 2014 made to the Office of the Deputy Labour Commissioner (new Delhi

District), Government of NCT, Delhi for renewal of labour license under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, for the years 2014-15.

10. Application and invoice dated March 18, 2014 made to the Indian Performing Rights Society Limited for renewal of license for musical works for the year 2014-15.

11. Application dated March 11, 2014 made to the Medical Officer Health, NDMC under the NDMC Act, 1994, as amended, for renewal of the license to store HSD and fuel.

Taj Palace Hotel, New Delhi

1. Application dated March 12, 2014 made to the Medical Officer of Health, NDMC, New Delhi, under the NDMC Act, 1994, as amended, for renewal of lodging house license for the hotel for the year 2014-17.

2. Application dated March 20, 2014 made to the Additional Commissioner of Police (Licensing), New Delhi, under the Delhi Police Act, 1978, as amended, for renewal of lodging house license for the hotel for the year 2014-17.

3. Application dated March 12, 2014 made to the Medical Officer of Health, NDMC, New Delhi, under the NDMC Act, 1994, as amended, for renewal of dhaba license for Masala Art, Kafe Fontana, Blue Ginger Restaurant and Bar and Orient Express the year 2014-17.

4. Application dated March 20, 2014 made to the Additional Commissioner of Police (Licensing), under the Delhi Police Act, 1978, as amended, for renewal of eating house license for Masala Art, Kafe Fontana, Blue Ginger Restaurant and Bar and Orient Express the years 2014-17.

5. Application dated February 28, 2013 made to the Collector of Excise, New Delhi under the Delhi Excise Act, 2010, as amended, for renewal of excise licenses no. L-15 and L-16 licenses for Masala Art, Blue Ginger, Café Fontana, Orient Express for the year 2014-15.

6. Application dated March 12, 2014 made to the Medical Officer of Health, NDMC, New Delhi, under the NDMC Act, 1994, as amended, for renewal of laundry license at the hotel for the year 2014-17.

7. Application dated March 21, 2014 made to the Office of the Deputy Labour Commissioner, New Delhi, under the Contract Labour (Regulation & Abolition) Act, 1970, as amended, for renewal and amendment of the certificate of registration for the year 2014-15.

8. Application dated March 19, 2014 made to the Delhi Pollution Control Committee for consent under the Water (Prevention and Control of Pollution) Act, 1974, as amended, as amended and the Air (Prevention and Control of Pollution) Act, 1981, as amended.

9. Application and invoice dated March 18, 2014 made to the Indian Performing Right Society Limited under the Indian Copyright Act, 1957 for renewal of license for musical works for the year 2014-15.

10. Application dated September 25, 2013 made to the Delhi Boiler Inspection Department, Office of the Chief Inspector of Boilers and Smoke Nuisances, Labour Department, Government of NCT, Delhi under the Indian Boiler Act, 1923, as amended, and Indian Boiler Regulations, 1950, as amended in order to conduct an inspection for renewal of the certificate for the use of boiler at Taj Palace, New Delhi.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors of the Company passed at their meeting held on March 27, 2014, pursuant to Section 81 of the Companies Act, 1956 and Section 62 of the Companies Act, 2013, to the extent applicable. The Issue Price of ₹ [●] has been arrived at in consultation with the Lead Managers.

The Company has received in-principle approvals from the BSE and the NSE for listing of the CCDs to be allotted in the Issue pursuant to letters dated [●] and [●], respectively.

RBI Approval for Renunciation

The Company proposes to apply to the RBI for seeking approval for renunciation of the Rights Entitlement by (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs).

Prohibition by SEBI or Other Governmental Authorities

The Company, the Promoter, the members of the Promoter Group, the Directors and the persons in control of the Company, persons in control of Promoter have not been prohibited from accessing or operating the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which the Promoter, the Directors or the persons in control of the Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Other than those disclosed in the section "Outstanding Litigation and Defaults - Action initiated by SEBI against the Entities operating in the Securities Market with which Directors are associated" on page 210, no action has been initiated by SEBI against the entities operating in the securities market with which the Directors are associated.

Prohibition by RBI

None of the Company, the Promoter, the members of the Promoter Group or Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority.

Eligibility for the Issue

The Company is a listed company and has been incorporated under the Indian Companies Act, 1882. The CCDs of the Company are not listed on the Stock Exchanges and the Equity Shares of the Company are presently listed on the Stock Exchanges. It is eligible to offer this issue in terms of Chapter IV of the SEBI Regulations.

Compliance with Regulation 4(2) of the SEBI Regulations

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI Regulations, to the extent applicable. Further, in relation to compliance with Regulation 4(2)(d) of the SEBI Regulations, Company undertakes to make an application to the Stock Exchanges for listing of the CCDs to be issued pursuant to this Issue and choose one of the Stock Exchanges as the Designated Stock Exchange after filing of the Draft Letter of Offer.

Compliance with Part E of Schedule VIII of the SEBI Regulations

The Company is in compliance with the provisions specified in Clause (1) of Part E of Schedule VIII of the SEBI Regulations as explained below:

(a) The Company has been filing periodic reports, statements and information in compliance with the listing agreement for the last three years immediately preceding the date of filing of this Draft Letter of Offer with SEBI.

(b) The reports, statements and information referred to in sub-clause (a) above are available on the website of the BSE and the NSE or on a common e-filing platform specified by SEBI.

(c) The Company has an investor grievance-handling mechanism which includes meeting of the Shareholders/Investors' Grievance Committee at frequent intervals, appropriate delegation of power by the Board of Directors of the Company as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As the Company satisfies the conditions specified in Clause (1) of Part E of Schedule VIII of SEBI Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (5) of Part E of Schedule VIII of the SEBI Regulations.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGERS, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED, DSP MERRILL LYNCH LIMITED, SBI CAPITAL MARKETS LIMITED AND STANDARD CHARTERED SECURITIES (INDIA) LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE LEAD MANAGERS, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED, DSP MERRILL LYNCH LIMITED, SBI CAPITAL MARKETS LIMITED AND STANDARD CHARTERED SECURITIES (INDIA) LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED APRIL 15, 2014 WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AND THE COMPANIES ACT, 2013, TO THE EXTENT APPLICABLE, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOTED FOR COMPLIANCE, IF APPLICABLE</u>.

(5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – <u>NOT APPLICABLE</u>

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – <u>NOT APPLICABLE</u>

(7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE – <u>NOT APPLICABLE</u>

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - <u>NOT</u>

APPLICABLE FOR A RIGHTS ISSUE. TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE SEBI REGULATIONS.

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE CCDs AND THE EQUITY SHARES, UPON CONVERSION, IN DEMAT OR PHYSICAL MODE.

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

(16) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY LEAD MANAGERS BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR DATED SEPTEMBER 27, 2011. NOT APPLICABLE

(17) WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THIS DRAFT LETTER OF OFFER.

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Disclaimer clauses from the Company and the Lead Managers

The Company and the Lead Managers accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by the Company or by any other persons at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to the Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire CCDs, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

The Company and the Lead Managers shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the CCDs and rights to purchase the CCDs offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be [●].

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Disclaimer Clause of the NSE

As required, a copy of this Draft Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Selling Restrictions

The distribution of this Draft Letter of Offer and the issue of CCDs on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer may come are required to inform themselves about and observe such restrictions. The Company is making this Issue on a rights basis to the Eligible Equity Shareholders of the Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer or any other material relating to the Company, the CCDs or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI.

Accordingly, the CCDs and Rights Entitlement may not be offered or sold, directly or indirectly, and none of the Draft Letter of Offer or any offering materials or advertisements in connection with the CCDs or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the CCDs or the Rights Entitlement referred to in the Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and CCDs or accepting any provisional allotment of CCDs, or making any offer, sale, resale, pledge or other transfer of the CCDs or Rights Entitlement.

Neither the delivery of the Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in the Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

Each person who exercises Rights Entitlement and subscribes for CCDs or excess CCDs, or who purchases Rights Entitlement or CCDs shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE CCDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND CCDS REFERRED TO IN THIS DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY CCDS OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Filing

This Draft Letter of Offer has been filed with the Corporation Finance Department of SEBI, located at SEBI Bhavan, C-4-A, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India for its observations. After SEBI gives its observations, the final Letter of Offer will be filed with the Designated Stock Exchange as per the provisions of the Companies Act.

Issue Related Expenses

The expenses of the Issue payable by the Company include brokerage, fees and reimbursement to the Lead Managers, Auditor, Legal Advisor to the Issue, Registrar, printing and distribution expenses, publicity, listing fees, stamp duty and other expenses and will be met out of the Issue Proceeds.

S. No.	Particulars	Amounts (₹ in crores)*	Percentage of Total Estimated Issue Expenditure*	Percentage of Issue Size*
	Fees of the Lead Managers	[●]	[●]	[●]
	Fees to the legal advisor, other professional services and statutory fees	[●]	[●]	[●]
	Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
	Fees of Registrar to the Issue	[●]	[●]	[●]
	Advertising and marketing expenses	[●]	[●]	[●]

	Printing and stationery, distribution, postage etc.	[●]	[●]	[●]
	Other expenses	[●]	[●]	[●]
Total estimated Issue related expenses		[●]	[●]	[●]

* *Amounts will be finalized at the time of filing the Letter of Offer and determination of the Issue Price and other details.*

Investor Grievances and Redressal System

The Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

The Company has a Stakeholders' Relationship Committee currently comprises Mr. Jagdish Capoor (Chairman), Raymond N. Bickson and Abhijit Mukerji. The broad terms of reference include redressal of shareholders' and investors' complaints relating to transfer of shares, non-receipt of Annual Reports, non-receipt of dividends, etc. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by the Company.

The Investor complaints received by the Company are disposed off within 15 days from the date of receipt of the complaint.

Status of outstanding investor complaints in relation to the Company

As on the date of this Draft Letter of Offer, there were no outstanding investor complaints.

Investor Grievances arising out of the Issue

The Company's investor grievances arising out of the Issue will be handled by Link Intime India Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

The agreement between the Company and the Registrar will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice/ CCD certificate / demat credit/ refund order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants giving full details such as folio no., name and address, contact telephone / cell numbers, e-mail id of the first Applicant, number and type of CCDs applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be seven to 10 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. The Company undertakes to resolve the investor grievances in a time bound manner.

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (West)
Mumbai 400 078
Tel: (91) 22 2596 7878
Fax: (91) 22 2596 0329
E-mail: tihcl.rights@linkintime.co.in
Investor Grievance E-Mail: tihcl.rights@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Pravin Kasare
SEBI Registration No.: INR000004058*
Corporate Identification Number: U67190MH1999PTC118368

**Link Intime India Private Limited has obtained a certificate of registration from SEBI which is valid from May 6, 2009 to May 5, 2014. It* *has made an application dated January 30, 2014 to SEBI for grant of renewal of the registration, in accordance with the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993, as amended. The renewal of the registration from SEBI is currently awaited.*

Investors may contact the Compliance Officer or the Registrar in case of any pre-Issue/ post -Issue related problems such as non-receipt of Allotment advice/CCD certificates/ demat credit/refund orders etc. The contact details of the Compliance Officer are as follows:

Mr. Beejal Desai
Vice President - Legal & Company Secretary
The Indian Hotels Company Limited
Mandlik House
Mandlik Road
Mumbai 400 001
Tel: (91 22) 6665 3238
Fax: (91 22) 2202 7442
E-mail: investorrelations@tajhotels.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The CCDs proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the CAF, the SAF, the Memorandum of Association and Articles of Association of the Company, and the provisions of the Companies Act, FEMA, the guidelines and regulations issued by SEBI, the guidelines, notifications and regulations for the issue of capital and for listing of securities issued by the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of listing agreements entered into by the Company with the Stock Exchanges and terms and conditions as stipulated in the allotment advice or security certificate.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 200,000, complying with the eligibility conditions of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, can participate in the Issue only through the ASBA process.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. Renouncees and Physical Shareholders are not eligible ASBA Investors and must only apply for CCDs through the non-ASBA process, irrespective of the application amounts.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, see section "Terms of the Issue - Procedure for Application" on page 228.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

All rights/obligations of the Eligible Equity Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors of the Company passed at their meeting held on March 27, 2014 pursuant to Section 81 of the Companies Act, 1956, and Section 62 of the Companies Act, 2013, to the extent applicable.

Basis for the Issue

The CCDs are being offered for subscription for cash to the existing Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form and on the register of members of the Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, i.e. [●], fixed in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Eligible Equity Shareholder of the Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], you are entitled to the number of CCDs as set out in Part A of the CAFs.

The Company is making this Issue on a rights basis to the Eligible Equity Shareholders of the Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders. The distribution of the Letter of Offer/Abridged Letter of Offer and the issue of CCDs on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Any person who acquires Rights Entitlements or CCDs will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer/Abridged Letter of Offer, that it is not and that at the time of subscribing for the CCDs or the Rights Entitlements, it will not be in any restricted jurisdiction.

PRINCIPAL TERMS OF THE CCDs

Face Value

Each CCD will have the face value of ₹ [●].

Rights Entitlement Ratio

The CCDs are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] CCD(s) for every [●] Equity Share(s) held on the Record Date.

Terms of Payment

Full amount of ₹ [●] per CCD is payable on application.

Compulsorily Convertible

[●] CCDs of face value of ₹ [●] each will be automatically and compulsorily converted into [●] Equity Shares fully paid up of ₹ 1 each at a premium of ₹ [●] on [●], without any application or any further act on the part of the holder of CCDs. There shall be no redemption of the CCDs.

The Conversion Price would be adjusted for any bonus or rights issue made by the Company prior to the Conversion Date so as to ensure that the benefit of the CCD holder is not prejudiced and remains the same as if the bonus or rights issue would not have been declared.

Fractional Entitlements

The CCDs are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] CCD(s) for every [●] Equity Share(s) held as on the Record Date. For CCDs being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored as above would be given preferential consideration for the Allotment of one additional CCD each if they apply for additional CCDs over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds between [●] and [●] Equity Shares, he will be entitled to [●] CCDs on a rights basis. He will also be given a preferential consideration for the Allotment of one additional CCD if he has applied for the same.

Those Eligible Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'zero' CCDs under this Issue shall be dispatched a CAF with 'zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for additional CCDs and would be given preference in the allotment of one additional CCD if, such Eligible Equity Shareholders have applied for the additional CCDs. However, they cannot renounce the same in favour of third parties. CAFs with zero entitlement will be non-negotiable/non-renounceable.

For example, if an Eligible Equity Shareholder holds between one and [●] Equity Shares, he will be entitled to zero CCDs on a rights basis. He will be given a preference for Allotment of one additional CCD if he has applied for the same.

The Company shall not issue any fractional certificates to CCD holders on conversion of CCDs to equity shares of the Company and instead all such fractional entitlements to which the CCD holders would be entitled to on allotment of the equity shares of the Company will be consolidated and the Company will issue and allot equity shares of the Company in lieu thereof to a person authorized by the Company with the express understanding that such person will hold such equity shares of the Company in trust for those entitled to the fractional entitlements and sell the same in the market within 15 days from date of allotment of the Equity Shares, which will be issued on conversion of CCDs, at the best available price and pay to the Company, the net sale proceeds thereof, which the Company will distribute proportionately to those persons who are entitled to their fractional entitlements.

Rating

The issue of CCDs has been rated by [●] as [●] indicating [●].

Ranking

The CCDs and the equity shares of the Company to be issued and allotted pursuant to conversion of the CCDs Allotted in the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The equity shares of the Company to be issued and allotted pursuant to conversion of the CCDs Allotted in the Issue shall rank *pari passu* with the existing equity shares of the Company.

Agents and Trustees for the holders of CCDs

The Company has appointed Centbank Financial Services Limited as Debenture Trustee for the holders of the CCDs offered through the Letter of Offer. The Debenture Trustee has *vide* its letter dated April 12, 2014 has given its in-principle consent to act as debenture trustee for the holders of the CCDs offered through the Letter of Offer. In accordance with Regulation 20 of the SEBI Regulations, the Company undertakes to execute a trust deed in favour of the Trustees.

Interest on CCDs

An interest of [●]% p.a. payable [●] shall be paid on the CCDs from the date of [●] up to the date prior to conversion of CCDs into equity shares of the Company**.**

Listing and trading of the CCDs and the equity shares of the Company to be issued pursuant to the Issue

The CCDs proposed to be issued on a rights basis shall be listed and admitted for trading on the BSE and the NSE for which the Company has made an application to NSDL and CDSL for allotment of ISIN through letters dated [●] and [●] respectively. All steps for completion of necessary formalities for listing and commencement of trading in the CCDs will be taken within 12 Working Days of the Issue Closing Date. The Company has received in-principle approval from the BSE through letter no. [●] dated [●] and from the NSE through letter no. [●] dated [●].

The Company's existing Equity Shares are currently traded on the BSE under the ISIN INE053A01029. The Equity Shares which will arise on conversion of the CCDs shall be listed for trading on the BSE and the NSE under the existing ISIN for fully paid Equity Shares of the Company.

The CCDs and the Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the CCDs shall be taken within seven working days of finalization of the Basis of Allotment.

The listing and trading of the CCDs and Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

Subscription to the Issue by the Promoter and Promoter Group

Our Promoter, Tata Sons Limited, has undertaken to subscribe, on its own account, to the full extent of their rights entitlement in the Issue. The members of the Promoter Group (except for the Trusts as mentioned below) subject to approval of their respective Board of Directors or a committee thereof, have undertaken to subscribe, on their own account, to the full extent of their rights entitlement in the Issue.

Sir Dorabji Tata Trust, Lady Tata Memorial Trust and Sir Ratan Tata Trust (the "**Trusts**"), which are members of the Promoter Group, have confirmed that they will renounce all of their rights entitlements in favour of the Promoter of our Company since subscription to their rights entitlement in the Issue would not be covered under the category of eligible investments under the provisions of the Bombay Public Trusts Act, 1950, as amended. Our Promoter has confirmed to subscribe, on its own account, to the full extent of any rights entitlement that may be renounced in its favour by the Trusts. Accordingly, the rights entitlement of the Promoter and the Promoter Group in this Issue will be fully subscribed as set forth above. The subscription by our Promoter and other members of the Promoter Group to CCDs in this Issue to the extent of their rights entitlement will not attract open offer requirements under the Takeover Regulations. Further, the allotment of Equity Shares of the Company pursuant to conversion of CCDs subscribed by the Promoter and other members of the Promoter Group of the Company to the extent of their rights entitlement in this Issue shall be exempt from open offer requirements in terms of Regulation 10(4)(a) of the Takeover Regulations.

Further, our Promoter and members of the Promoter Group, except the Trusts, reserve their right to determine their intention to apply for additional CCDs in the Issue or subscribe to any CCDs which may be renounced in their favour or any unsubscribed portion of the Issue, subject to compliance with applicable law. As a result of any such subscription and consequent allotment of CCDs, the Promoter and other members of the Promoter Group may acquire CCDs over and above their rights entitlement. Such acquisition of CCDs or acquisition of Equity Shares pursuant to conversion of the CCDs by our Promoter and other members of the Promoter Group over and above their rights entitlement will not attract open offer requirements under the Takeover Regulations, subject to (A) compliance with Regulation 10(4)(b)(i) of the Takeover Regulations (Promoter and members of the Promoter Group, subscribing to the full extent of their rights entitlement and the Promoter subscribing to the full extent of the rights entitlement renounced by the Trusts in its favour, as mentioned above) and (B) the conversion price of the CCDs calculated on the basis of the conversion ratio (at which the CCDs are converted to Equity Shares of the Company which will be specified in the Letter of Offer), not being higher than the ex-rights price of the Equity Shares of the Company as determined as per Regulation 10(4)(b)(ii) of the Takeover Regulations.

The acquisition of Equity Shares of the Company on conversion of CCDs subscribed by the Promoter and members of the Promoter Group shall be exempt from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the Takeover Regulations as mentioned above, and shall not result in a change of control of the management of the Company. The date of acquisition for purposes of reporting requirements specified in Regulation 10(6) and Regulation 10(7) of the Takeover Regulations will be the date of conversion of the CCDs. The Company is in compliance with Clause 40A of the Listing Agreement and will continue to comply with minimum public shareholding requirements pursuant to the Issue and on allotment of Equity Shares upon conversion of CCDs as mentioned above.

Rights of holders of CCDs of the Company

- The CCDs shall rank pari passu inter-se without any preference or priority of one over the other or others of them.
- The CCDs as and when converted into the Equity Shares shall rank pari passu with the then existing equity shares of the Company in all respects.
- The CCDs shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the Equity Shares. The provisions relating to transfer and transmission and other related matters in respect of Equity Shares contained in the Articles of Association and the Companies Act shall apply, mutatis mutandis, to the CCDs as well.
- The holders of CCDs will not be entitled to any right and privileges of the Equity Shareholders of the Company other than those available to them under applicable laws. The CCDs shall not confer upon the CCD holders the right to receive notice, or to attend and vote at the general meetings of shareholders of the Company.
- The rights, privileges, terms and conditions attached to the CCDs may be varied, modified or abrogated with the consent, in writing, of those holders of the CCDs who hold at least three fourths of the outstanding amount of the CCDs (of the current issue) or with the sanction accorded pursuant to a resolution passed at the meeting of the CCD holders; provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions governing the CCDs and the same are not acceptable to the Company.

- The Company shall, as required by Section 88 of the Companies Act, 2013, keep a Register of the holders of CCDs and enter therein the particulars prescribed under the said provision.

- A meeting of the CCD holders can be convened by (i) the Debenture Trustee or the Company at any time; or (ii) the Debenture Trustee, at the request in writing of the holder(s) of CCDs representing not less than one-tenth in value of the nominal amount of the CCDs for the time being outstanding, by giving not less than 21 days notice in writing. However, a meeting may be called by giving shorter notice if the consent of the holders of CCDs representing not less than 95% of the CCDs remaining outstanding is accorded.

- The accidental omission to give notice to, or the non-receipt of notice by, any holder of CCDs or other person to whom it should be given shall not invalidate the proceedings at the meeting.

- The quorum for a meeting of the CCD holders shall be [●] CCD holders personally present. The nominee of the Debenture Trustee shall be the chairman of the meeting of the holders of CCDs and in his absence, the holder of CCDs personally present at the meeting shall elect one of themselves to be the Chairman thereof on a show of hands. At every such meeting each holder of CCDs shall, on a show of hands, be entitled to one vote only, but on a poll he shall be entitled to one vote in respect of every CCDs of which he is a holder in respect of which he is entitled to vote.

- The CCDs will be subject to any other terms and conditions to be incorporated in the agreement/trust deed(s) to be entered into by the Company with the Debenture Trustee and the CCDs certificates/allotment letters that will be issued.

Further Issues/Borrowings

The Company shall be entitled, from time to time, to make further issue, of debentures and/or raise term loans or raise further funds by such other debt instruments or other securities (whether or not the same constitutes securities for the purposes of the Act or the Securities Contract (Regulations) Act, 1956), to the public, or any section of the public in India or any part of the world, members of the Company, by way of a private placement or bilateral arrangements and/ or avail of further financial and or guarantee facilities from financial institutions, banks and/or any other person(s) on the security or otherwise of its property or against any security provided by any third party security provider without the consent of the holders of the CCDs.

Modification to the Terms of the CCDs

Any modification to the terms of issue pertaining to the CCDs would be carried out only with the prior approval of the CCD holders and the Debenture Trustee. This would be done by convening their special class meeting in accordance with the provisions of the Companies Act and taking their approval by a simple majority to the terms of modification sought, from the CCD holders present and voting.

General Terms of the Issue

Market Lot

The CCDs of the Company are tradable only in dematerialized form. The market lot for CCDs in dematerialised mode is one CCD. In case an Investor holds CCDs in physical form, the Company would issue to the allottees one certificate for the CCD allotted to each folio (the "Consolidated Certificate"). Such Consolidated Certificates may be split into smaller denominations at the request of the respective Investor.

Joint Holders

Where two or more persons are registered as the holders of any CCDs, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

Nomination facility is available in respect of the CCDs in accordance with the provisions of the Section 72 of the Companies Act, 2013. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Eligible Equity Shareholder or all the joint Eligible Equity Shareholders, as the case may be, shall become entitled to the CCDs offered in the Issue. A person, being a nominee, becoming entitled to the CCDs by reason of death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered Eligible Equity Shareholder. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the CCDs, in the event of death of the said Eligible Equity Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the CCDs by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Where the CCDs are held by more than one person jointly, the nominee shall become entitled to all the rights in the CCDs only in the event of death of all the joint holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of the Company or such other person at such addresses as may be notified by the Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act, 2013, or any other rules that may be prescribed under the Companies Act, 2013, any person who becomes a nominee shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the CCDs; or
- to make such transfer of the CCDs, as the deceased holder could have made.

If the person being a nominee, so becoming entitles, elects to be registered as holders of the CCDs himself, he shall deliver to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased CCD holder.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the CCDs, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the CCDs, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Investor(s) has already registered the nomination with the Company, no further nomination needs to be made for CCDs that may be allotted in this Issue under the same folio.

In case the Allotment of CCDs is in dematerialised form, there is no need to make a separate nomination for the CCDs to be allotted in this Issue. Nominations registered with respective DP of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective DP.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by the Company shall be published in one English language national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation and/or, will be sent by post to the address of the Eligible Equity Shareholders provided to the Company. However, the distribution of the Letter of Offer/Abridged Letter of Offer and the issue of CCDs on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Procedure for Application

The CAF for the CCDs offered as part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and address. In case the signature of the Investor(s) does not match with the specimen registered with the Company, the application is liable to be rejected.

Please note that neither the Company nor the Registrar shall be responsible for delay in the receipt of the CAF/duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in the transit.

Please note that QIB Applicants, Non-Institutional Investors and other Applicants whose application

amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors, or (iii) Investors whose application amount is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please also note that by virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Equity Shareholder being an OCB is required to obtain prior approval from RBI for applying to this Issue.

The CAF consists of four parts:

Part A: Form for accepting the CCDs offered as a part of this Issue, in full or in part, and for applying for additional CCDs;

Part B: Form for renunciation of CCDs;

Part C: Form for application of CCDs by Renouncee(s);

Part D: Form for request for split application forms.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of CCDs that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies for an investment in CCDs, then he can:

- Apply for his Rights Entitlement of CCDs in full;
- Apply for his Rights Entitlement of CCDs in part;
- Apply for his Rights Entitlement of CCDs in part and renounce the other part of the CCDs;
- Apply for his Rights Entitlement in full and apply for additional CCDs;
- Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the CCDs offered, either in full or in part, by filling Part A of the CAFs and submit the same along with the application money payable to the Bankers to the Issue or any of the collection centers as mentioned on the reverse of the CAFs before close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board of Directors in this regard. Investors at centres not covered by the collection branches of the Bankers to the Issue can send their CAFs together with the cheque drawn at par on a local bank at [●] or a demand draft payable at Mumbai to the Registrar by registered post so as to reach the Registrar prior to the Issue Closing Date. Please note that neither the Company nor the Lead Managers or the Registrar shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in the transit. Such applications sent to anyone other than the Registrar are liable to be rejected. For further details on the mode of payment, see "Terms of the Issue - Mode of Payment for Resident Investors" and "Terms of the Issue - Mode of Payment for Non-Resident Investors" on pages 234 and 235, respectively.

Additional CCDs

You are eligible to apply for additional CCDs over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the CCDs offered to you without renouncing them in whole or in part in favour of any other person(s). Applications for additional CCDs shall be considered and Allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under "Terms of the Issue - Basis of Allotment" on page 244.

If you desire to apply for additional CCDs, please indicate your requirement in the place provided for additional

CCDs in Part A of the CAF. Renouncee(s) applying for all the CCDs renounced in their favour may also apply for additional CCDs.

Where the number of additional CCDs applied for exceeds the number of CCDs available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

The Issue includes a right exercisable by you to renounce the CCDs offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that the Company shall not Allot and/or register the CCDs in favour of the following Renouncees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors; (iv) HUF; or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold CCDs, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce in favour of persons or entities which would otherwise be prohibited from being offered or subscribing for CCDs or Rights Entitlement under applicable securities or other laws. Eligible Equity Shareholders may also not renounce in favour of persons or entities in the United States.

Any renunciation: (i) from resident Indian equity shareholder(s) to non-resident(s); (ii) from non-resident equity shareholder(s) to resident Indian(s); or (iii) from a non-resident equity shareholder(s) to other non-resident(s), and subscription of Equity Shares by such renounce are subject to the renouncer(s)/ renouncee(s) obtaining the necessary regulatory approvals. The Company proposes to apply to the RBI for seeking approval for renunciation of Rights Entitlement by (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs). In case the Company does not receive such approval, the renouncer/ renouncee is required to obtain such approval and attach to the CAF. All such renunciations shall be subject to any conditions that may be specified in the RBI approval. Applications not complying with conditions of the approval/ not accompanied by such approvals are liable to be rejected.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, the Eligible Equity Shareholders of the Company who do not wish to subscribe to the CCDs being offered but wish to renounce the same in favour of Renouncees shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has, however, clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000-RB dated May 3, 2000 under the FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of the RBI if the investment is through the automatic route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be the conclusive evidence for the Company of the fact of renouncement to the person(s) applying for CCDs in Part 'C' of the CAF for the purpose of Allotment of such CCDs. The Renouncees applying for all the CCDs renounced in their favour may also apply for additional CCDs. Part 'A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no right to further renounce any CCDs in favour of any other person.

Procedure for renunciation

To renounce all the CCDs offered to an Eligible Equity Shareholder in favour of one Renouncee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under this Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the CCDs, does not match with the specimen registered with the Company/ Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the CCDs are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with the application money in full.

Change and/or introduction of additional holders

If you wish to apply for CCDs jointly with any other person(s), not more than three including you, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that the Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the CCDs offered, using the CAF:

Option Available	Action Required
Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A *(All joint holders must sign)*
Accept your Rights Entitlement in full and apply for additional CCDs	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional CCDs *(All joint holders must sign)*

Option Available	Action Required
Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement to all the CCDs offered to you to more than one Renouncee	Fill in and sign Part D *(all joint holders must sign)* requesting for SAFs. Send the CAF to the Registrar so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. (i) For the CCDs you wish to accept, if any, fill in and sign Part A. (ii) For the CCDs you wish to renounce, fill in and sign Part B indicating the number of CCDs renounced and hand it over to the Renouncees. (iii) Each Renouncee should fill in and sign Part C for the CCDs accepted by them.
Renounce your Rights Entitlement in full to one person *(Joint Renouncees are considered as one)*.	Fill in and sign Part B *(all joint holders must sign)* indicating the number of CCDs renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C *(all joint Renouncees must sign)*
Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom the Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for each SAF should be made for a minimum of one CCD or, in each case, in multiples thereof and one SAF for the balance CCDs, if any.
- Request by the Investor for the SAFs should reach the Registrar on or before [●].
- Only the Eligible Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Investor(s) by post at the Applicant's risk.
- Eligible Equity Shareholders may not renounce in favour of persons or entities who would otherwise be prohibited from being offered or subscribing for CCDs or Rights Entitlement under applicable securities laws.
- While applying for or renouncing their Rights Entitlement, all joint Eligible Equity Shareholders must sign the CAF and in the same order and as per specimen signatures recorded with the Company/ Depositories.
- *Non-resident Eligible Equity Shareholders*: Application(s) received from Non-Resident/NRIs, or persons of Indian origin residing abroad for allotment of CCDs alloted as a part of this Issue shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of CCDs, subsequent issue and allotment of CCDs, interest, export of share certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar. Please note that the request for duplicate CAF should reach the Registrar at least seven (7) days prior to the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates such requirements, he/ she shall face the risk of rejection of either original CAF or both the applications. The Company or the Registrar will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque/ demand draft, net of bank and postal charges payable at Mumbai and the Investor should send the same by registered post directly to the Registrar. For details of the mode of payment, see "Terms of the Issue - Modes of Payment" on page 234. Applications on plain paper to be accepted from any address outside India will be subject to the legal requirements and restrictions prevailing in the jurisdictions of the applicant.

The envelope should be super scribed "The Indian Hotels Company Limited – Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with the Company/ Depositories, must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

- Name of the Company, being The Indian Hotels Company Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Allotment option preferred - physical or demat form, if held in physical form;
- Number of CCDs entitled to;
- Number of CCDs applied for;
- Number of additional CCDs applied for, if any;
- Total number of CCDs applied for;
- Total amount paid at the rate of ₹ [●] per CCD;
- Particulars of cheque/ demand draft;
- Savings/ current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;
- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the CCDs applied for pursuant to the Issue;
- If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/NRO account;

- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of the Company/Depositories); and

- Additionally, all such Applicants are deemed to have accepted the following:

  *"I/ We understand that neither the Rights Entitlement nor the CCDs have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"). I/ we understand the CCDs referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any CCDs or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said CCDs or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ are not in the United States and understand that neither us, nor the Registrar, the Lead Managers or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

  I/ We will not offer, sell or otherwise transfer any of the CCDs which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

  I/ We understand and agree that the Rights Entitlement and CCDs may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

  I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the applications. The Company shall refund such application amount to the Eligible Equity Shareholder without any interest thereon.

Last date for Application

The last date for submission of the duly filled in CAF is [●]. The Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the CCDs hereby offered, as provided under the section "Terms of the Issue - Basis of Allotment" on page 244.

Modes of Payment

Mode of payment for Resident Investors

- All cheques / demand drafts accompanying the CAF should be drawn in favour of "[●]" crossed 'A/c Payee only' and should be submitted along with the CAF to the Bankers to the Issue/ Collecting Bank or to the Registrar;

- Investors residing at places other than places where the bank collection centres have been opened by the

Company for collecting applications, are requested to send their CAFs together with an account payee cheque/ demand draft for the full application amount, net of bank and postal charges drawn in favour of "[●]", crossed 'A/c Payee only' and payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed "The Indian Hotels Company Limited – Rights Issue". The Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

Mode of payment for Non-Resident Investors

As regards the application by non-resident Investor, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe for CCDs by applicable local securities laws can obtain application forms from the following address:

  Link Intime India Private Limited
  C-13, Pannalal Silk Mills Compound, L.B.S. Marg
  Bhandup (West)
  Mumbai 400 078
  Tel: (91) 22 2596 7878
  Fax: (91) 22 2596 0329
  E-mail: tihcl.rights@linkintime.co.in
  Investor Grievance E-Mail: tihcl.rights@linkintime.co.in
  Website: www.linkintime.co.in
  Contact Person: Pravin Kasare
  SEBI Registration No.: INR000004058[(1)]
  Corporate Identification Number: U67190MH1999PTC118368

  [*]Link Intime India Private Limited has obtained a certificate of registration from SEBI which is valid from May 6, 2009 to May 5, 2014. It has made an application dated January 30, 2014 to SEBI for grant of renewal of the registration, in accordance with the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993, as amended. The renewal of the registration from SEBI is currently awaited.

- Applications will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and CCDs may be restricted by applicable securities laws.

- Non-resident investors applying from places other than places where the bank collection centres have been opened by the Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges drawn in favour of "[●]", crossed 'A/c Payee only' payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed "The Indian Hotels Company Limited – Rights Issue". The Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

- Payment by non-residents must be made by demand draft payable at Mumbai/ cheque drawn on a bank account maintained at [●] or funds remitted from abroad in any of the following ways:

  Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or

- By cheque/draft drawn on an NRE or FCNR Account maintained in [●]; or

- By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable at Mumbai;

- FIIs registered with SEBI must utilise funds from special non-resident rupee account;

- Non-resident investors with repatriation benefits should draw the cheques/ demand drafts in favour of "[●]", crossed "A/c Payee only" for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar;

- Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding CCDs on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in [●] or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai In such cases, the Allotment of CCDs will be on non-repatriation basis.

- Non-resident investors without repatriation benefits should draw the cheques/demand drafts in favour of "[●]", crossed "A/c Payee only" for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar;

- Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

- An Eligible Equity Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of the Company and the Lead Managers.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in CCDs can be remitted outside India, subject to tax, as applicable according to the IT Act.

- In case CCDs are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

- The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Procedure for Application through the ASBA Process

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. The Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Managers, the Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular

CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) investors whose application amount is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for CCDs in the Issue through the ASBA Process is only available to the Eligible Equity Shareholders of the Company on the Record Date and who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional CCDs in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- are applying through a bank account maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the CCDs in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the CCDs either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of the Company in this regard.

Additional CCDs

You are eligible to apply for additional CCDs over and above the number of CCDs that you are entitled to, provided that you are eligible to apply for CCDs under applicable law and you have applied for all the CCDs (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional CCDs shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under the section "Terms of the Issue-Basis of Allotment" in this section on page 244.

If you desire to apply for additional CCDs, please indicate your requirement in the place provided for additional CCDs in Part A of the CAF.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment

The Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI Regulations, into the separate bank account maintained by the Company for the purpose of the Issue as per the provisions of Section 40(3) of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar and the Lead Managers to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, the Company would have a right to reject the application only on technical grounds.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Investors is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF *(All joint holders must sign)*
2.	Accept your Rights Entitlement in full and apply for additional CCDs.	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional CCDs *(All joint holders must sign)*

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper to be accepted from any address outside India will be subject to the legal requirements and restrictions prevailing in the jurisdictions of the applicant.

The envelope should be super scribed "The Indian Hotels Company Limited – Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with the Company/ Depositories, must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being The Indian Hotels Company Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Number of Equity Shares held as on Record Date;
- Number of CCDs entitled to;
- Number of CCDs applied for;
- Number of additional CCDs applied for, if any;
- Total number of CCDs applied for;
- Total amount paid at the rate of ₹ [●] per CCD;
- Particulars of cheque/ demand draft;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for applications on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the CCDs applied for pursuant to the Issue;
- Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in our records; and
- Additionally, all such Applicants are deemed to have accepted the following:

  *"I/ We understand that neither the Rights Entitlement nor the CCDs have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"). I/ we understand the CCDs referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any CCDs or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said CCDs or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the*

United States at any time. I/ we confirm that I/ are not in the United States and understand that none of we, the Registrar, the Lead Managers or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who, we, the Registrar, the Lead Managers or any other person acting on behalf of we have reason to believe is in the United States or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the CCDs which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and CCDs may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Option to receive CCDs in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE CCDs UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Investors applying under the ASBA Process

(a) Please read the instructions printed on the respective CAF carefully.

(b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.

(c) The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue/Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to the Company or the Registrar or the Lead Managers to the Issue.

(d) All Applicants, and in the case of application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of CCDs pursuant to the Issue shall be made into the accounts of such Investors**.

(e) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/demand draft/pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the CAF as per the specimen signature recorded with the Company/or Depositories.

(g) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company/ Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(h) All communication in connection with application for the CCDs, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.

(i) Only the person or persons to whom the CCDs have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.

(j) Only persons outside the restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and CCDs under applicable securities laws are eligible to participate.

(k) Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through the ASBA process.

(l) Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using the ASBA process.

(m) Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) investors whose application amount is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

(n) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section "Terms of the Issue - Application on Plain Paper" on pages 233 and 239.

Do's:

(a) Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.

(b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as CCDs will be allotted in the dematerialized form only.

(c) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

(d) Ensure that there are sufficient funds (equal to {number of CCDs as the case may be applied for} X {Issue Price of CCDs, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

(g) Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the IT Act.

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(i) Ensure that the Demographic Details are updated, true and correct, in all respects.

(j) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

Don'ts:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(b) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

(c) Do not pay the amount payable on application in cash, by money order, pay order or by postal order.

(d) Do not send your physical CAFs to the Lead Managers / Registrar / Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.

(e) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(f) Do not apply if the ASBA account has been used for five Applicants.

(g) Do not apply through the ASBA Process if you are not an ASBA Investor.

(h) Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under "Grounds for Technical Rejections for non-ASBA Investors" on page 250, applications under the ABSA Process are liable to be rejected on the following grounds:

(a) Application on a SAF.

(b) Application for allotment of Rights Entitlements or additional CCDs which are in physical form.

(c) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.

(d) Sending an ASBA application on plain paper to the Registrar.

(e) Sending CAF to Lead Managers / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.

(f) Renouncee applying under the ASBA Process.

(g) Submission of more than five CAFs per ASBA Account.

(h) Insufficient funds are available with the SCSB for blocking the amount.

(i) Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.

(j) Account holder not signing the CAF or declaration mentioned therein.

(k) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdiction and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.

(l) CAFs which have evidence of being executed in/dispatched from any restricted jurisdiction.

(m) QIBs, Non-Institutional Investors and other Eligible Equity Shareholders applying for CCDs in this Issue for value of more than ₹ 200,000 who hold Equity Shares in dematerialised form and is not a Renouncer or a Renouncee not applying through the ASBA process.

(n) Application by an Eligible Equity Shareholder whose cumulative value of CCDs applied for is more than ₹ 200,000 but has applied separately through split CAFs of less than ₹ 200,000 and has not done so through the ASBA process.

(o) Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.

(p) Submitting the GIR instead of the PAN.

(q) An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.

(r) Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

(s) ASBA Bids by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(t) Applications by Applicants ineligible to make applications through the ASBA process, made through the ASBA process.

Depository account and bank details for Investors applying under the ASBA Process

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR CCDs IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF/PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA Process should note that on the basis of name of these Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF/plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository, demographic details of these Investors such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Investors applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor. The Demographic Details given by the Investors in the CAF would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Investors applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Investor applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent CCDs are not allotted to such Investor. Investors applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors applying under the ASBA Process and none of the Company, the SCSBs or the Lead Managers shall be liable to compensate the Investor applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Underwriting

[●]

Issue Schedule

Issue Opening Date:	[●]
Last date for receiving requests for SAFs:	[●]
Issue Closing Date:	[●]

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in the Draft Letter of Offer, the Letter of Offer, the Articles of Association of the Company and the approval of the Designated Stock Exchange, the Board will proceed to Allot the CCDs in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for CCDs renounced in their favour, in full or in part.

(b) Investors whose fractional entitlements are being ignored would be given preference in allotment of one additional CCD each if they apply for additional CCDs. Allotment under this head shall be considered if there are any unsubscribed CCDs after allotment under (a) above. If number of CCDs required for Allotment under this head are more than the number of CCDs available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the CCDs offered to them as part of the Issue, have also applied for additional CCDs. The Allotment of such additional CCDs will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed CCDs after making full Allotment in (a) and (b) above. The Allotment of such CCDs will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the CCDs renounced in their favour, have applied for additional CCDs provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such CCDs will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person that the Board of Directors as it may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of the Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of regulation 3(1)(b) of the Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated CCDs in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by the Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices / Refund Orders

The Company will issue and dispatch Allotment advice/ CCD certificates/ demat credit and/or letters of regret along with refund order or credit the allotted CCDs to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, the Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Electronic Clearing Service ("**NECS**") except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the CCDs shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and the Company issues letter of allotment, the corresponding CCD certificates will be kept ready within six months from the date of Allotment thereof under Section 56 of the Companies Act, 2013 or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the CCDs certificates.

The letter of allotment/ refund order would be sent by registered post/ speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to the Company. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the case of non-resident Shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-resident Shareholders or Investors who remit their application money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. The Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The CCD certificate(s) will be sent by registered post / speed post to the address of the Non Resident Shareholders or Investors as provided to the Company.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for Investors having an account at any of the 68 centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories/the records of the Registrar. The payment of refunds is mandatory for Investors having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).

2. National Electronic Fund Transfer ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to the Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by the Company.

4. RTGS – If the refund amount exceeds ₹ 200,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the CAF. In the event the same is not provided, refund shall be made through NECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by the Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

5. For all other Investors the refund orders will be dispatched through speed post/ registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non- residents

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and the Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. The Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / CCD Certificates/ Demat Credit

Allotment advice/ CCD certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue

Closing Date. In case the Company issues Allotment advice, the respective share certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive CCDs in Dematerialized Form

Investors shall be allotted the CCDs in dematerialized (electronic) form at the option of the Investor. The Company has signed a bipartite agreement with NSDL on July 16, 2003 which enables the Investors to hold and trade in the securities issued by the Company in a dematerialized form, instead of holding the CCDs in the form of physical certificates. The Company has also signed a bipartite agreement with CDSL on May 6, 2003 which enables the Investors to hold and trade in the securities issued by the Company in a dematerialized form, instead of holding the CCDs in the form of physical certificates.

In this Issue, the Allottees who have opted for CCDs in dematerialized form will receive their CCDs in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such CCDs to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the CCDs in physical form. No separate CAFs for CCDs in physical and/or dematerialized form should be made. If such CAFs are made, the CAFs for physical CCDs will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the CCDs sought in demat and balance, if any, will be allotted in physical CCDs. Eligible Equity Shareholders of the Company holding CCDs in physical form may opt to receive CCDs in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE CCDs CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of CCDs in this Issue in the electronic form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of the Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of the Company). In case of Investors having various folios in the Company with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Investors who have already opened such beneficiary account(s) need not adhere to this step.*

- For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their CCDs pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of CCDs arising out of this Issue may be made in dematerialized form even if the Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of the Company/ Depositories.

The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.

If incomplete / incorrect beneficiary account details are given in the CAF, the Investor will get CCDs in physical form.

The CCDs allotted to Applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Applicant by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such CCDs to the Applicant's depository account.

Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of

CCDs in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

General instructions for non-ASBA Investors

(a) Please read the instructions printed on the CAF carefully.

(b) Applicants that are not QIBs or are not Non – Institutional Investor or those whose Application money does not exceed ₹ 200,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Equity Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding CCDs in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non ASBA process.

(c) Application should be made on the printed CAF, provided by the Company except as mentioned under the head "Terms of the Issue - Application on Plain Paper" in this section on pages 233 and 239 and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of the Draft Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's / husband's name must be filled in block letters.

The CAF together with the cheque/demand draft should be sent to the Bankers to the Issue/ Escrow Collection Bank or to the Registrar and not to the Company or the Lead Managers to the Issue. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by the Company for collecting applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

Applications where separate cheques/demand drafts are not attached for amounts to be paid for CCDs are liable to be rejected. Applications accompanied by cash, postal order or stock invest are liable to be rejected.

(d) Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.

(e) Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

(f) All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(g) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF as per the specimen signature recorded with the Company.

(h) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum of Association and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with the Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.

(i) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company/Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

(j) Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of application money, Allotment of CCDs, subsequent issue and Allotment of CCDs, interest, export of share certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in any jurisdiction where the offer or sale of the Rights Entitlements and subsequent issue of equity shares of the Company upon conversion of CCDs may be restricted by applicable securities laws.

(k) All communication in connection with application for the CCDs, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and transfer agents of the Company, in the case of CCDs held in physical form and to the respective depository participant, in case of CCDs held in dematerialized form.

(l) SAFs cannot be re-split.

(m) Only the person or persons to whom CCDs have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

(n) Investors must write their CAF number at the back of the cheque /demand draft.

(o) Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.

(p) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.

(q) No receipt will be issued for application money received. The Bankers to the Issue / Escrow Collection Banks/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

(r) The distribution of the Letter of Offer and issue of CCDs to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for CCDs.

Do's for non-ASBA Investors:

(a) Check if you are eligible to apply i.e. you are an Eligible Equity Shareholder on the Record Date.

(b) Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in.

(c) In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the CCDs will be allotted in the dematerialized form only.

(d) Ensure that your address is available to us and the Registrar and transfer agent, in case you hold the Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form.

(e) Ensure that the value of the cheque/ draft submitted by you is equal to the (number of CCDs applied for) X (Issue Price of CCDs, as the case may be) before submission of the CAF.

(f) Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form.

(g) Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim and officials appointed by the courts.

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(i) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

(a) Do not apply if you are not eligible to participate in the Issue the securities laws applicable to your jurisdiction.

(b) Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue.

(c) Do not pay the amount payable on application in cash, by money order or by postal order.

(d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(e) Do not submit Application accompanied with stock invest.

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable.
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar and transfer agent (in the case of physical holdings).
- Age of Investor(s) not given (in case of Renouncees).
- Except for CAFs on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value.
- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted.
- If the signature of the Investor does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories.
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and the Letter of Offer.
- CAFs not duly signed by the sole/joint Investors.
- CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue.
- CAFs accompanied by stock invest/ outstation cheques/ post-dated cheques/ money order/ postal order/ outstation demand drafts.

- In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID.

- CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorized to acquire the Rights Entitlements and CCDs in compliance with all applicable laws and regulations.

- CAFs which have evidence of being executed in/dispatched from restricted jurisdictions.

- CAFs by ineligible Non-Residents (including on account of restriction or prohibition under applicable local laws) and where an address has not been provided.

- CAFs where the Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

- In case the GIR number is submitted instead of the PAN.

- Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.

- Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for CCDs for an amount exceeding ₹ 200,000, not through ASBA process.

- Application by an Eligible Equity Shareholder whose cumulative value of CCDs applied for is more than ₹ 200,000 but has applied separately through SAFs of less than ₹ 200,000 and has not been undertaken through the ASBA process.

Please read the Draft Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of the Draft Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in the Draft Letter of Offer or the CAF.

Bids by FPIs, FIIs and QFIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Further, in terms of the SEBI FPI Regulations, a QFI may continue to buy, sell or otherwise deal in securities, subject to the provisions of the SEBI FPI Regulations, until January 6, 2015 (or such other date as may be specified by SEBI) or until the QFI obtains a certificate of registration as FPI, whichever is earlier.

The existing individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively**.** In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular bearing number CIR/ CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for CCDs for an amount exceeding ₹ 200,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular bearing number CIR/ CFD/ DIL/ 1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for CCDs for an amount exceeding ₹ 200,000 shall mandatorily make use of ASBA facility.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Dematerialized dealing

The Company has entered into agreements dated July 16, 2003 and May 6, 2003 with NSDL and CDSL, respectively, and its Equity Shares bear the ISIN INE053A01029.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by the Company. However, the Bankers to the Issue / Registrar / Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on CCDs allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, the Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

Our Board of Directors declares that:

1. All monies received out of the Issue shall be transferred to a separate bank account;

2. Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised;

3. Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested; and

4. The Company may utilize the funds collected in the Issue only after the basis of Allotment is finalized.

Undertakings by the Company

The Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the CCDs are to be listed will be taken within seven working days of finalization of basis of allotment.

1. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by the Company.

2. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

3. No further issue of securities affecting the Company's equity capital shall be made till the CCDs issued/ offered in the Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.

4. The Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in the Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

5. Adequate arrangements shall be made to collect all ASBA applications and to consider then similar to non-ASBA applications while finalising the basis of Allotment.

6. At any given time there shall be only one denomination for the CCDs of the Company.

7. The Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

8. The Company shall forward the details of utilisation of the funds raised through the CCDs duly certified by the Statutory Auditors of the Company, to the Debenture Trustee at the end of each half-year.

9. The Company shall disclose the complete name and address of the Debenture Trustee in the annual report.

10. The Company shall provide a compliance certificate to the CCD holders (on yearly basis) in respect of compliance with the terms and conditions of issue of CCDs as contained in this Draft Letter of Offer, duly certified by the Debenture Trustee.

11. The Company shall extend necessary cooperation with the credit rating agency in providing true and adequate information till the obligations of the Company in respect of the CCDs are outstanding.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Issue and the sum payable on application is not received within a period of 30 days from the date of the Letter of Offer, the Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount within 15 days after the Issue Closing Date, the Directors who are "officers in default" shall jointly and severally refund that money along with interest at the rate of 15 per cent per annum. Further, the Company and its officer who is in default shall be liable to a penalty of ₹ 1,000 for each day during which the default continues or ₹ 100,000, whichever is less.

Important

- Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

- All enquiries in connection with the Draft Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and super scribed "The Indian Hotels Company Limited - Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (West)
Mumbai 400 078
Tel: (91) 22 2596 7878
Fax: (91) 22 2596 0329
E-mail: tihcl.rights@linkintime.co.in
Investor Grievance E-Mail: tihcl.rights@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Pravin Kasare
SEBI Registration No.: INR000004058[1]
Corporate Identification Number: U67190MH1999PTC118368

[1] Link Intime India Private Limited has obtained a certificate of registration from SEBI which is valid from May 6, 2009 to May 5, 2014. It has made an application dated January 30, 2014 to SEBI for grant of renewal of the registration, in accordance with the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993, as amended. The renewal of the registration from SEBI is currently awaited.

The Issue will remain open for a minimum 15 days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by the Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated April 15, 2014 between the Company and the Lead Managers.
2. Registrar Agreement dated April 15, 2014 between the Company and the Registrar to the Issue.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of the Company as amended.
2. Certificate of Incorporation of the Company.
3. Letter of Offer dated February 27, 2008 issued by the Company.
4. Consents of the Directors, Company Secretary and Compliance Officer, Joint Statutory Auditors, Lead Managers, Bankers to the Issue, Debenture Trustee, Legal Advisor to the Issue, the Registrar to the Issue and the Monitoring Agency for inclusion of their names in the Draft Letter of Offer to act in their respective capacities.
5. Resolutions of our Board of Directors dated March 27, 2014 in relation to this Issue and other related matters.
6. Postal Ballot Notice in relation to re-classification of the authorised share capital of the Company.
7. The report of the Joint Statutory Auditors, being M/s. Deloitte Haskins & Sells LLP, Chartered Accountants and M/s. PKF Sridhar & Santhanam, Chartered Accountants, dated May 30, 2013 on the audited standalone financial statements for the year ended on March 31, 2013 and the report dated February 11, 2014 on the audited standalone condensed financial statements for nine months ended on December 31, 2013.
8. The report of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants dated May 30, 2013 on the audited consolidated financial statements for the year ended on March 31, 2013 and the report dated February 11, 2014 on the unaudited consolidated condensed financial statements for the nine months ended December 31, 2013 of the Company.
9. Annual Reports of the Company for the Fiscal Years 2009, 2010, 2011, 2012 and 2013 taken on a standalone and consolidated basis.
10. Statement of Possible Direct Tax Benefits available to the Company and to its Debenture Holders dated April 15, 2014 from the Joint Statutory Auditors.
11. Due Diligence Certificate dated April 15, 2014 addressed to SEBI from the Lead Managers.
12. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
13. Bipartite Agreement dated July 16, 2003 between the Company and NSDL.
14. Bipartite Agreement dated May 6, 2003 between the Company and CDSL.

15. Letter no. [●] dated [●] issued by SEBI for the Issue.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in the Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Name	Signature
Mr. Cyrus P. Mistry *Non-Executive Chairman*	
Mr. Raymond N. Bickson *Managing Director and Chief Executive Officer*	
Mr. K. B. Dadiseth *Independent Director*	
Mr. Deepak Parekh *Independent Director*	
Mr. Jagdish Capoor *Independent Director*	
Mr. Shapoor Mistry *Non-Executive Director*	
Mr. Nadir Godrej *Independent Director*	
Ms. Ireena Vittal *Independent Director*	
Mr. Guy Lindsay Macintyre Crawford *Independent Director*	
Mr. Anil P. Goel *Whole-time Director and Executive Director – Finance*	
Mr. Abhijit Mukerji *Whole-time Director and Executive Director – Hotel Operations*	
Mr. Mehernosh S. Kapadia *Whole-time Director and Executive Director – Corporate Affairs*	

Date: _______________
Place: Mumbai

____
Mr. Beejal Desai
Company Secretary and Compliance Officer